Handout - Susanne Browne

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Our File Number 12-1218453

November 26, 2013

Brett Arriaga
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Sent via Email and U.S. Mail

RE: Supplemental Comments Regarding the City of Long Beach's Revised Draft 2013-2021 Housing Element

Mr. Arriaga and Mr. McDougall,

On August 2, 2013, Legal Aid Foundation of Los Angeles (LAFLA) submitted written comments to HCD regarding the City of Long Beach's 2013-2021 Draft Housing Element, which was released on June 26, 2013. We now submit supplemental comments with *new information* about the sites identified in the Draft Housing Element as well as new comments regarding deficiencies in the City's Revised Draft Housing Element, which was released on November 5, 2013. We have attached our August 2, 2013 comment letter to these supplemental comments, as the Revised Draft Housing Element does not address the concerns or recommendations from our initial comment letter.

I. The City has not identified Sufficient, Available Sites to Accommodate its RHNA Number of 4,009 Affordable Units.

This supplemental comment letter includes *new information* regarding the ownership of the parking lot sites identified by the City of Long Beach in its Draft HE. After running title searches for each of the parking lot sites identified in the Draft Housing Element (Draft HE), we discovered that the City does not own many of the parking lot sites that were identified. Accordingly, the City should not count these sites as available unless there is analysis included in the Element that demonstrates the likelihood that the sites will be redeveloped during the planning period.

Summarized below, and attached, are the results of the title searches. In short, of the 11 parking lots identified in the Draft HE, the City only owns five of them. The City claims that these five lots could accommodate 2,600 affordable units. However, each of these five parking lots is located in PD 30, or the Downtown Plan Area, where land prices have skyrocketed as a result of the recent adoption (January 2012) of a specific plan that allows for unlimited density, reduced parking, fast tracked development and elimination of the need for environmental impact reports (the City completed a Program EIR in conjunction with the PD 30 specific plan). Therefore, land prices in PD 30 are cost prohibitive for most affordable housing developers. (See LAFLA's August 2, 2103 comment letter to HCD, pages 5-6). Nevertheless, for the sake of argument, even if HCD were to accept the viability of these sites for the production of 2,600 affordable units, the City still has not identified sufficient available sites in its HE to accommodate its affordable RHNA numbers. The City has an affordable RHNA allocation of 4,009 units. The City has identified sites for 2,600 units on City owned parking lots and an additional 340 units on vacant sites. In total, this would account for only 2,949 units, which falls quite short of the City's RHNA allocation of 4,009 units. Specifically, the City has fallen short of identifying sites for an additional 1,069 units. *See* LAFLA's August 2, 2013 comment letter, pages 6-7, for an analysis regarding why the remaining non-vacant sites identified by the City cannot be considered "available" sites.

Perhaps the two most egregious examples of the City's improper identification of privately owned parking lot sites are sites #5 (LB Blvd. & Spring, SE Corner) and Site #22 (Corner of 4th and Pacific Ave.). Site #5 is privately owned by Memorial Health Services and the parking lot supports parking for the Memorial Medical Facility. Site #22 is also a privately owned lot supporting downtown business and residential uses, yet the City alleges that it could accommodate 525 affordable units. As a final example, the City identified site #1 as being available for 1,318 affordable units, however this parking lot supports the World Trade Center building complex, which is a new Class A building that requires substantial parking and is fully utilized.

Summarized below is title information regarding the parking lot sites identified in the Draft HE that are privately owned:

- Long Beach Blvd. & Spring, SE corner, Owner: Memorial Health Services
- Long Beach & 9th Street, SE corner, Owner: Bruce Golison / Golsin Trust
- 4th Street & Pacific Ave., NE corner, Owner: Queen City Investments, Inc.
- 7th Street & Locust Avenue, SW corner, Owner: 6th & Pine Developments, LLC
- 300 Alamitos, Owner: Jatin & Shaila Laxpati
- Broadway & Alamitos, SW corner, Owner: 740 E. Broadway LLC

The City has not identified adequate, available sites to accommodate its affordable RHNA allocation of 4,009 units. The City has identified sites for 2,600 units on City owned parking lots and an additional 340 units on vacant sites. In total, this would account for only 2,949 units, which falls quite short of the City's RHNA allocation of 4,009 units. Specifically, the City has fallen short of identifying sites for an additional 1,069 units.

II. The Revised Draft Housing Element Is Still Out of Compliance With State Law.

The City released a Revised Draft HE on November 5, 2013. Despite the fact that the City has made some revisions to the Element, the revisions do not bring the Revised Draft HE into compliance with State law. The Revised Draft HE is still missing critical analysis and the Programs Section still fails to include adequate programs with legally sufficient schedules of actions. Accordingly, all of our comments, legal analysis and recommendations from our initial comment letter dated August 2, 2013 remain intact. We are resubmitting our initial comment letter as an attachment to these supplemental comments.

In addition, listed below is an analysis and explanation of why the City's revisions contained in the Revised Draft HE do not bring the Element into compliance with State law.

A. Page 38, Condition of Existing Housing Stock

On page 37, the Revised Draft HE states that 85% of the City's rental housing is more than 30 years old. The Revised Draft HE additionally states (on page 37) that housing over 30 years in age is likely to have rehabilitation needs that may include plumbing, roof repairs, foundation work and other repairs. On page 38 of the First Draft of the HE, dated June 26, 2013, the Element additionally stated that "[a]ccording to Code Enforcement staff, an estimated 10,000 housing units in the City require considerable improvements or replacement." This last sentence has been deleted from the Revised Draft HE, without any explanation. Moreover, the City has added additional narrative on page 38 of the Revised Draft HE, which appears to understate the deteriorated condition of the City's older rental housing stock. The new narrative states that only 1% of the City's housing stock has substandard conditions and directly conflicts with the information on page 37 of the Revised Draft HE, which states that 85% of the City's rental housing stock is more than 30 years old and in need of repairs.

The analysis contained in the Revised Draft HE also underestimates the extent of code enforcement violations, as it estimates City-wide code enforcement problems based solely on the City's code enforcement cases. The Element should acknowledge that code enforcement problems are vastly underreported by low income tenants who fear retaliatory rent increases or evictions if they report problems to code enforcement. This particularly true in a City such as Long Beach, which has no tenant protections such as just cause eviction protections or rent control. Accordingly, code enforcement problems in the City are severely underreported.

B. Page 79, Coastal Zone Housing

While the City has included additional information in this section, it has not addressed the deficiencies raised in our initial comment letter. (*See* LAFLA's Aug. 2, 2013 comment letter, pages 4-5). Moreover, the City states for the first time in the Revised Draft HE that it is exempt from the Mello Act's (CA Gov't Code Sec. 65590) replacement housing requirement because it has less than 50 acres of land that is vacant, privately owned and available for residential use. The City has not provided any evidence or information to support this assertion. HCD should not accept this statement on its face. The City should be required to provide information to support this statement. Moreover, the City still has not provided information required by law regarding coastal zone housing developments and it has not demonstrated that it's in lieu fees result in one for one replacement of affordable units demolished or converted in the coastal zone. (*See* LAFLA's Aug. 2, 2013 comment letter, pages 4-5).

C. Pages 91-93, Transit Oriented Development

While the City has added some narrative to this section, the City has *entirely* failed to address our extensive comments and data based recommendations regarding the need to preserve and create affordable housing along transit corridors. Pages 7-10 of our Aug. 2, 2013 comment letter contained extensive analysis regarding the pressures of displacement and gentrification along transit oriented corridors. Displacement and gentrification have been documented and proven, as explained in our initial comment letter. This is of particular significance for Long Beach, since the vast majority of the sites identified in the HE are along transit corridors, in PD 29 and PD 30. Moreover, our initial comment letter cited studies explaining that affordable housing requirements are critical to the success of transit oriented development, to reduce greenhouse gas emissions and traffic. Rather than consider our comments, the City chose in its Revised Draft HE to simply allege that gentrification has not (and will not) occur along transit corridors in Long Beach. The City's oversimplification of this complex issue is of great concern. After the passage of the Downtown Plan (PD 30), and as the City moves forward with another Specific Plan for Long Beach Blvd. (PD 29), gentrification and displacement will occur. The City's own studies and environmental documentation for PD 30 acknowledge substantial displacement of residents, yet the Revised Draft HE alleges the exact opposite.

On page 92 of the Revised Draft HE, it states that Downtown Plan (PD 30) development "will not result in the displacement of existing residents, as no significant removal of existing housing is anticipated to make room for new housing development in these areas." This statement is in *direct conflict* with the City's own studies and environmental documentation regarding the Downtown Plan. In 2009, the City hired a consultant to undertake a Downtown Market Study, to support the adoption of the Downtown Plan. The Downtown Market Study states that the residential population of the Downtown Plan area is 31,404 residents. (*See* Downtown Long Beach Market Study, Strategic Economics, April 17, 2009, p. 7 (referred to herein as Downtown Market Study).) According to the Downtown Market Study, 31,404 residents live in downtown Long Beach and 75% of them are low income.[1] (*See* Downtown Long Beach Market Study, pp. 7 & 9.) This means that nearly 24,000 Downtown Plan area residents are low income. Low income households are at great risk of displacement to make way for the Downtown Plan's anticipated market rate development of 5,000 new residential units and millions of square feet of new commercial, retail, and hotel developments. As this new large scale development of the Downtown Plan area takes place, low income residents will be displaced outside of the area by rising rents and the demolition and conversion of the older buildings in which they currently reside.

Importantly, the Downtown Plan (PD 30) area was increased by 88 acres after the drafting of the Downtown Market Study. Therefore, the number of low income residents is most likely even greater than 24,000, as there are likely additional low income residents residing in the 88 acres that were added to the PD 30 boundaries.[2] Other important statistics from the Downtown Market Study include the following: 30% of downtown residents earn less than $15,000 a year (almost 10,000 residents); 15% of downtown residents earn $15,000 to $24,000 a year; 15% of downtown residents earn $25,000 to $34,000 a year; and 15% of downtown residents earn

[1] The U.S. Department of Housing and Urban Development (HUD) defines "Low Income" as households that earn up to 80% of area median income (AMI)..

[2] *See* City of Long Beach 2005-2010 Consolidated Plan, Housing and Household Needs Assessment, pp. III-19 & III-21 ("The City's low and moderate Income Areas generally fall within Downtown, Central and North Long Beach, and portions of the West Side."); *See id.*, Housing and Household Needs Assessment, p. III-21 for a map of Long Beach's designated Low and Moderate Income Areas, which are defined by HUD as census block groups that contain greater than 50% of households earning below 80% of the County median income.

$35,000 to $49,000 a year. Finally, the Downtown Long Beach median income is $27,000 (very low income),[3] yet the city-wide median income is $45,000. (Downtown Long Beach Market Study, p. 9.) Despite these staggering statistics from the Downtown Market Study regarding the incomes of existing residents in the Plan area, the City alleges in its Revised Draft HE that PD 30 will not result in the displacement of residents.

Moreover, the **Program EIR completed by the City for the Downtown Plan (PD 30) fully acknowledged substantial displacement of residents as a result of the Downtown Plan's anticipated development:**

> *"The associated displacement of existing housing and people during implementation of the proposed project would contribute to a cumulative impact on housing opportunities in Downtown Long Beach and on the adjacent communities as displaced residents search for housing where recent conditions have not provided an adequate supply of new housing for the area's increased population.* Therefore, the cumulative impact to population and housing would be significant and unavoidable."

(Downtown Plan, Draft EIR, Population and Housing, pp. 4.10-3 & 4.10-4 [emphasis supplied]; *see also id.*, Executive Summary, p. 1-24.) The Draft EIR further provides:

> "Implementation of the proposed Downtown Plan ...would result in the ***displacement of existing housing and people, primarily housed in medium density multi-family dwelling units. New development would occur at higher densities and with more modern housing....While many residents would relocate into different dwelling units either within or outside the Plan area, they would be displaced from their existing dwelling units and may be unable to obtain similar housing with respect to quality, price, and/or location.*** Therefore, the Project would have an adverse effect on the housing supply and may require construction of replacement housing elsewhere."

(*Id.*, Population and Housing, p. 4.10-3 [emphasis supplied].)

The City's HE should include meaningful programs to offset the pressures of displacement and gentrification in PD 30 and PD 29. These should include anti-displacement protections and mixed income housing requirements along transit corridors. The City's assertion in its Revised Draft HE that development in PD 29 and 30 will not result in gentrification or displacement of residents is simply not true and this should not be accepted by HCD. Indeed, HCD's August 26, 2013 Review Letter to the City specifically noted that the City's future development is focused on PD 29 and 30, yet the City "does not offer strategies to preserve and create affordable housing within these districts." HCD's Review Letter further states that,

> "the City's prime downtown development district, PD-30, allows unlimited housing densities.... The opportunity to redevelop...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.... Given the potential for gentrification in the PD districts and

[3] HUD defines "Very Low Income" as households that earn up to 50% of AMI.

considering the extensive public comments...the City should integrate housing policies and programs that preserve and create housing affordable to lower income households within these transit oriented districts."

See HCD Review Letter, page 2. Despite this clear direction from HCD in its Review Letter, and despite our extensive comments regarding this issue, the City has failed to incorporate such programs or policies in its Revised Draft HE.

D. Page 110, SB 2 Compliance

The Revised Draft HE still fails to identify appropriate sites for emergency shelters. *See* LAFLA's initial Aug. 2, 2013 comment letter, pages 10-13 for a detailed analysis of the City's continued non-compliance with the requirements of SB 2. None of our concerns have been addressed with the minor language added to the Revised Draft HE regarding SB 2 compliance. The Revised Draft HE still fails to make any meaningful commitments. It merely provides that the City will "explore additional opportunities...as numerous specific plans are updated." On page 111, the Revised Draft HE states that they City will "consider zoning for emergency shelters in four additional districts" and that it will be "evaluated as part of the PD-29 Specific Plan update in 2014." Again, the City has committed to actually do nothing with these statements. There are no concrete actions and no clear timelines that will result in beneficial impacts during the planning period.

The City has been out of compliance with SB 2 for over four years now. The City should not be allowed to continually "kick the can down the road" with respect to SB 2 compliance by vaguely referencing future planning documents. The City should be required to revise its HE to state that it will amend its zoning code to allow emergency shelters by right in PD 29 or Light Industrial areas by April 2014. HCD, in its August 26, 2013 Review Letter to the City, acknowledged that the City's SB 2 program was not legally sufficient. The City's revisions do not bring this program into compliance with State law.

E. P. 115 and 121, Housing Action Plan

On pages 115 and 121, the Revised Draft HE makes reference for the first time to a Housing Action Plan (HAP) that will allegedly be prepared in 2015. It is entirely unclear what the purpose of this Plan is, particularly in light of the fact that the Revised Draft HE does not include a program to create or adopt a Housing Action Plan. It appears as if the City is making vague reference to another potential Plan to avoid making any real, enforceable commitments in its HE. State law requires that the Housing Element contain a program of actions with concrete programs for fulfilling the goals, policies and objectives contained in the Element. The Programs section must include implementation actions which include: land use and development controls; regulatory concessions and incentives; utilization of federal and state financing and subsidy programs; and utilization of redevelopment housing set aside funds. Each specific action must include: (1) the agency and officials responsible for the implementation (CA Gov't Code Sec. 65583(c)(7); (2) the timeline or schedule in which the action will be carried out. The action must be scheduled within the timeframe for the Element so that there will be "beneficial impacts" during the planning period. Programs must be scheduled for completion before the end of the planning period so that they will have their intended effect during the planning period; and (3) the proposed measurable outcomes, including the number of units to be assisted.

Specificity of implementation actions is necessary to ensure that meaningful and enforceable commitments are made by a jurisdiction. An adequate program should require a particular action

to be taken by a particular date. Programs should include: specific action steps; measurable outcomes; a demonstration of the locality's firm commitment to implementation; and identification of funding sources, where appropriate. (*See* HCD Building Blocks 5.A.)

The City's vague reference to a Housing Action Plan, without any corresponding program, does not meet any of these requirements. HCD should require the City to include any and all proposed housing programs in its HE, as it is entirely unclear what the HAP is and whether it will come to fruition.

F. Page 118, Comprehensive Code Enforcement

While the City has added some narrative language to this program, the City still has not made a real commitment to adopt a rent escrow account program (REAP) in a reasonably timely manner. The Revised Draft HE merely states that the City will "[r]eport findings to the Planning Commission and City Council in 2016 as part of the Annual Report to HCD." This is not a sufficient program, as it will not have beneficial impacts during the planning period. Research about the appropriateness and need for this program has already been concluded. And, the City of Los Angeles has a model ordinance for Long Beach to utilize in drafting its Policy. Accordingly, this program should be revised to state that "the City will present a proposed Rent Escrow Account Ordinance to the City Council for consideration by June 2014."

G. Pages 121 & 123, Affordable Housing Development Assistance & Housing Trust Fund

Please see pages 17-21 of our August 2, 2013 comment letter for a detailed explanation of meaningful housing development assistance programs that should be included in the Programs Section of the HE, including programmatic commitments to Boomerang Funds, Commercial Linkage Fees and Mixed Income Housing.

1. Problems with the Housing Action Plan and AB 1484

The Revised Draft HE makes no meaningful, enforceable commitments to resources toward the development of affordable housing. The City currently has *no* dedicated, local sources of funds for affordable housing. This makes housing development in the City virtually impossible, as affordable housing financing requires a local layer of funding for affordable housing developments to be viable. The City passed its 2014 budget without any dedicated revenues for affordable housing.[4] While the Revised Draft HE includes some new language on page 121 about funds for affordable housing, it does not include any meaningful commitments. The Revised Draft HE states that the "Housing Action Plan" (HAP) will "incorporate a priority for funding for affordable housing in transit-rich neighborhoods." However, there is no program included in the Revised Draft HE regarding the creation or adoption of the HAP. The purpose of the HAP is also entirely unknown. The City should include its affordable housing production programs in its Housing Element, not some vague, unknown and potential future planning process that may never come to fruition. Lastly, how can the City state that it will incorporate a priority for funding in transit rich neighborhoods when it currently has no local sources of funding for affordable housing? Once again, the City has added language to the HE, but it will not result in anything real.

[4] The City's housing budget for 2014 is $132,000.00 *See* http://www.ocregister.com/articles/council-524031-budget-city.html. This is wholly insufficient to support housing development in the City, especially in light of the fact that it costs approximately $300,000.00 to produce a single unit of affordable housing.

The reference in the Revised Draft HE to the consideration of AB 1484 funds in the Housing Action Plan is also entirely meaningless, as it is unclear if this money will ever come to fruition. *AB 1484 funds are entirely uncertain.* They are a potential source of funds that may become available as a result of the dissolution of redevelopment, but they are a big unknown at this point in time. It is unknown if money will become available to Long Beach and it is also unknown how much money is even potentially at stake. AB 1484 was signed by the Governor in 2012, but Long Beach and other jurisdictions, to date, have not received any funds as a result of AB 1484. If this money becomes available to the City of Long Beach at a future date, this will be welcome news. However, for the time being, Long Beach must identify real sources of local funding to assist in the development of affordable housing. Boomerang funds, mixed income housing requirements and commercial linkage fees are all immediately viable sources of funds. The City should commit in its HE to currently viable source of funds. Long Beach should not be allowed to adopt a HE *without any local sources of funds* for affordable housing, especially in light of the fact that it has an affordable RHNA of 4,009 units and no housing budget to support the development of even a single unit.

2. Boomerang Funds

While the City adopted its 2014 budget without allocating any Boomerang funds for affordable housing, the City can (and should) still include a program in its HE to dedicate 20% of Boomerang funds for the next 8 years to the development of affordable housing. HCD, in its August 26, 2013 Review Letter to the City, stated that Boomerang funds "should be considered an opportunity to fund housing programs serving Long Beach's lower income populations." HCD further recommended in its Review Letter that the City should "strongly consider the recommendations from the Long Beach Housing Development Company to include programmatic commitments in the housing element to preserve this funding and others for the development of housing affordable to lower-income households." Despite this direction from HCD, the Revised Draft HE does not consider or mention utilization of Boomerang funds. The Element should be revised to include a program that dedicates 20% of Boomerang Funds, on an ongoing basis for the next eight years, for affordable housing development.

3. David Paul Rosen & Associates (DRA) Study

Notably, the DRA Study referenced in our initial comment letter was completed on September 20, 2013. This Study made the following recommendations: (1) Mixed Income Housing:[5] (a) 10% of units in new rental housing developments should be set aside as affordable to very low income households for the life of the project; (b) 10% of units in new ownership developments (i.e., condominiums) should be set aside as affordable to moderate income households for the life of the project; and (c) In lieu fees should be set at the economic equivalency of providing affordable units on-site to ensure that developers do not have an incentive to pay in lieu fees rather than build the affordable units. Accordingly, in lieu fees should be set at $24.00 per square foot for rental units and $15.00 per square foot for ownership units; and (2) A commercial linkage fee of $5.00 per square foot should be charged on new office, hotel, retail, restaurant and other commercial uses. An industrial linkage fee of $2.00 per square foot should be charged on new industrial uses.

The City should utilize the data contained in this Study to make meaningful commitments to fund affordable housing development in the Programs Section of its Housing Element.

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[5] Inclusionary housing requirements are permissible if the City's policy provides that new rental developments are entitled to incentives if they include a percent of affordable rental units. (*See Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* (2009) 175 Cal. App. 4th 1396.) This is particularly appropriate in PD 29 and 30.

H. Page 108, Right of First Refusal

While the City added some language to this program, it is still meaningless and ineffective. The City merely added language stating that it would report its findings to HCD as part of its Housing Element annual report in 2017. Besides the fact that 2017 is four years away and besides the fact that reporting findings to HCD will not result in adoption of a local policy, this entire concept is meaningless if not coupled with an affordable housing requirement, such as mixed income housing. A right of first refusal (i.e., a right to return) is meaningless to a displaced low income household unless it is also coupled with an affordable housing creation policy, such as inclusionary housing (mixed income housing). If a right of first refusal is not coupled with an affordable housing creation policy, it provides no benefit to low income displaced tenants, because low income displaced tenants cannot afford to return to high end, market rate units. This program must be coupled with a firm commitment to mixed income housing or it should be stricken from the Draft Housing Element because it is entirely meaningless as proposed. Indeed, HCD's August 26, 2013 Review Letter to the City stated that the timeline and commitments made in this program were insufficient. The City's minor revisions do not bring this program into compliance with State law.

III. Request for a Written Statement Regarding the Status of HCD's Review of the Draft Housing Element.

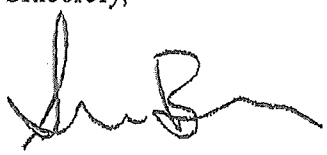
LAFLA and its community partners have attempted to work with City Staff regarding the development of the Housing Element. Unfortunately, however, Staff has been unwilling to collaborate with the community. Our comments, raised at community meetings and in written submissions, are not reflected in the Revised Draft HE. Furthermore, in a recent meeting with City Staff, we were informed that Staff would not share two rounds of revisions to the Draft HE that had been sent to HCD as part of the City's informal review process. Furthermore, Staff said that they would not discuss the Draft HE with us, including discussions of our comments and proposed changes. Finally, and most alarming, Staff said that they had nearly reached agreement with HCD regarding the Draft HE and that Staff was just waiting for "final buy off" from HCD regarding revisions to the Draft HE. Staff additionally stated that HCD would be giving the City an "informal approval" and that Staff would share this information with the Planning Commission and City Council.

In light of these comments from City Staff, we request that HCD send us a brief written update regarding the status of its review of the City's Revised Draft HE. An email status update is sufficient. This written statement is necessary to prevent the City's attempts to circumvent the public process. It would helpful for HCD to state in writing, as it has explained to me on the telephone, that: (1) the City's Revised Draft HE is still under review by HCD; (2) the Revised Draft HE has not been informally or formally approved by HCD; and (3) HCD anticipates further revisions to the Element based on the public process. This is critical to protecting the sanctity of the public process at the upcoming public hearings before the Planning Commission and City Council.

IV. Closing

We hope that this additional information is useful to HCD in its analysis of the City's Revised Draft HE. Thank you for your consideration of these additional comments. Please do not hesitate to contact me if you have any questions. I can be reached at (562) 304-2520 or sbrowne@lafla.org

Sincerely,



Susanne Browne
Senior Attorney

Attachments: Title Search Results for sites identified in the Revised Draft HE and LAFLA's August 2, 2013 Comment Letter Re: the City's first Draft HE

cc: Mayor Bob Foster
Vice Mayor Robert Garcia
Council Member Suja Lowenthal
Council Member Gary DeLong
Council Member Patrick O'Donnell
Council Member Gerrie Schipske
Council Member Dee Andrews
Council Member James Johnson
Council Member Al Austin
Council Member Steve Neal
Amy Bodek
Patrick Ure

Owner	Address	Parcel/Tax ID
QUEEN CITY INVESTMENTS INC	127 W 4TH ST LONG BEACH , CA 90802	7280-009-133

Transaction History

Transaction 3 - Transfer

Transaction Information

Buyer / Borrower	QUEEN CTY INVS		
Recorded Date	Jan 03, 2011	**Signature Date**	Dec 21, 2010
Title Company	FIDELITY NATIONAL TITLE	**Multiple/Portion**	Y

Ownership Transfer Information

Seller	SAS FAMILY TRUST		
Transfer Value	$1,500,000 (Full)	**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0000001360	**Deed Type**	High Liability

Loan Information

Loan Amount	$5,000,000	**Loan Type**	Conventional
Document #	1361	**Interest Rate Type**	Adjustable Rate
		Seller Carry Back	N
Lender Name	CALIFORNIA REPUBLIC BANK		

Transaction 2 - Transfer

Transaction Information

Buyer / Borrower	SAS FAMILY TRUST		
Recorded Date	Aug 24, 2010	**Signature Date**	Jul 19, 2010
Title Company		**Multiple/Portion**	

Ownership Transfer Information

Seller	CARD PROPERTIES LLC		
Transfer Value	$1,500,000 (Full)	**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0001175262	**Deed Type**	Grant Deed Or Deed Of Trust

Loan Information

Loan Amount	$800,000	**Loan Type**	Conventional
Document #	1175263	**Interest Rate Type**	Adjustable Rate
		Seller Carry Back	N
Lender Name	FARMERS & MERCHANTS BK LNG BCH		

Transaction 1 - Transfer

Transaction Information

Buyer / Borrower	CARD PROPERTIES LLC		
Recorded Date	Apr 22, 1999	**Signature Date**	
Title Company		**Multiple/Portion**	Y

Ownership Transfer Information

Seller			
Transfer Value		**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0702092	**Deed Type**	

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0702092	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Legend

$ Unusually large change in price

31 Multiple sales within a 30 day period

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Owner	Address	Parcel/Tax ID
LONG BEACH CITY	200 LONG BEACH BLVD LONG BEACH , CA 90802	7281-017-902

Transaction History

Transaction 1 - Transfer

Transaction Information

Buyer / Borrower	CITY OF LONG BCH		
Recorded Date	Mar 09, 2011	**Signature Date**	Mar 08, 2011
Title Company		**Multiple/Portion**	Y

Ownership Transfer Information

Seller	REDEVELOPMENT AGCY OF CITY/LONG B		
Transfer Value		**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0000361450	**Deed Type**	Quitclaim Deed Of Trust

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0000361450	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Legend

$ Unusually large change in price

31 Multiple sales within a 30 day period

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Owner	Address	Parcel/Tax ID
LONG BEACH CITY	243 E 1ST ST LONG BEACH , CA 90802	7280-028-906

Transaction History

Transaction 1 - Transfer

Transaction Information

Buyer / Borrower	CITY OF LONG BCH		
Recorded Date	Mar 09, 2011	**Signature Date**	Mar 08, 2011
Title Company		**Multiple/Portion**	Y

Ownership Transfer Information

Seller	REDEVELOPMENT AGCY OF CITY/LONG B		
Transfer Value		**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0000361443	**Deed Type**	Quitclaim Deed Of Trust

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0000361443	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Legend

$ Unusually large change in price

31 Multiple sales within a 30 day period

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Owner	Address	Parcel/Tax ID
BROADWAY PROPERTY COMPANY LLC	245 W BROADWAY LONG BEACH , CA 90802	7280-022-007

Transaction History

Transaction 8 - Finance

Transaction Information

Buyer / Borrower	BROADWAY PROPERTY CO LLC		
Recorded Date	Mar 31, 2011	**Signature Date**	Mar 14, 2011
Title Company		**Multiple/Portion**	

Loan Information

Loan Amount	$50,585,000	**Loan Type**	Conventional
Document #	477254	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name	UNION BANK		

Transaction 7 - Transfer

Transaction Information

Buyer / Borrower	BROADWAY PROPERTY CO LLC		
Recorded Date	Dec 09, 2010	**Signature Date**	Dec 07, 2010
Title Company	FIRST AMERICAN TITLE	**Multiple/Portion**	

Ownership Transfer Information

Seller	PLM LENDER SERVICES INC		
Transfer Value	$4,000,000	**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0001819075	**Deed Type**	Trustees Deed Upon Sale

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0001819075	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Transaction 6 - Assignment

Transaction Information

Buyer / Borrower	245 WEST BROADWAY LLC
Recorded Date	Oct 29, 2010
Document Number	1557515
Assigned Lender	BROADWAY PROPERTY CO LLC

Original Loan Information

Loan Amount	$9,450,000	**Loan Type**	Conventional
Document #	2853489	**Interest Rate**	Fixed
Recorded Date	Dec 28, 2007		
Lender Name	REDWOOD MTG INVESTORS VIII		

Transaction 5 - Finance

Transaction Information

Buyer / Borrower	245 WEST BROADWAY LLC		
Recorded Date	Sep 30, 2008	**Signature Date**	Sep 23, 2008
Title Company	STEWART TITLE	**Multiple/Portion**	

Loan Information

Loan Amount	$590,000	**Loan Type**	Construction
Document #	1752696	**Interest Rate Type**	Fixed
		Seller Carry Back	N
Lender Name	REDWOOD MTG INVESTORS VIII		

Transaction 4 - Finance

Transaction Information

Buyer / Borrower	245 WEST BROADWAY LLC		
Recorded Date	Dec 28, 2007	**Signature Date**	Dec 21, 2007
Title Company	STEWART TITLE	**Multiple/Portion**	

Loan Information

Loan Amount	$9,450,000	**Loan Type**	Conventional
Document #	2853489	**Interest Rate Type**	Fixed
		Seller Carry Back	N
Lender Name	REDWOOD MTG INVESTORS VIII		

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Owner	Address	Parcel/Tax ID
BROADWAY PROPERTY COMPANY LLC	245 W BROADWAY LONG BEACH , CA 90802	7280-022-007

Transaction History

Transaction 3 - Finance

Transaction Information

Buyer / Borrower	245 WEST BROADWAY LLC		
Recorded Date	Apr 14, 2006	**Signature Date**	Mar 28, 2006
Title Company	STEWART TITLE	**Multiple/Portion**	

Loan Information

Loan Amount	$8,294,000	**Loan Type**	Conventional
Document #	822333	**Interest Rate Type**	Fixed
		Seller Carry Back	N
Lender Name	REDWOOD MTG INVESTORS VIII		

Transaction 2 - Finance

Transaction Information

Buyer / Borrower	245 WEST BROADWAY LLC		
Recorded Date	Mar 28, 2003	**Signature Date**	
Title Company	STEWART TITLE	**Multiple/Portion**	

Loan Information

Loan Amount	$7,292,000	**Loan Type**	Construction
Document #	0000874855	**Interest Rate Type**	Fixed
		Seller Carry Back	N
Lender Name	REDWOOD MORTGAGE INVESTORS VII		

Transaction 1 - Transfer

Transaction Information

Buyer / Borrower	245 WEST BROADWAY LLC		
Recorded Date	Jul 14, 1999	**Signature Date**	
Title Company		**Multiple/Portion**	

Ownership Transfer Information

Seller			
Transfer Value		**Transaction Type**	Resale
		Deed In Lieu	N
Document #	1299891	**Deed Type**	

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	1299891	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Legend

$ Unusually large change in price

31 Multiple sales within a 30 day period

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Owner	Address	Parcel/Tax ID
LAXPATI,JATIN & SHAILA	, CA	7275-001-083

Transaction History

Transaction 4 - Transfer

Transaction Information

Buyer / Borrower	LAXPATI,JATIN & SHAILA		
Recorded Date	May 24, 2013	**Signature Date**	May 20, 2013
Title Company		**Multiple/Portion**	Y

Ownership Transfer Information

Seller	ROBERT GUMBINER FOUNDATION		
Transfer Value	$987,500 (Full)	**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0000786127	**Deed Type**	Grant Deed Or Deed Of Trust

Loan Information

Loan Amount		**Loan Type**	
Document #	0000786127	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Transaction 3 - Transfer

Transaction Information

Buyer / Borrower	ROBERT GUMBINER FOUNDATION		
Recorded Date	Mar 19, 2009	**Signature Date**	Mar 03, 2009
Title Company		**Multiple/Portion**	Y

Ownership Transfer Information

Seller	GUMBINER R CHARITABLE TRUST		
Transfer Value		**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0000393448	**Deed Type**	Quitclaim Deed Of Trust

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0000393448	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Transaction 2 - Transfer

Transaction Information

Buyer / Borrower	GUMBINER TRUST		
Recorded Date	Dec 16, 1999	**Signature Date**	
Title Company	CHICAGO TITLE	**Multiple/Portion**	Y

Ownership Transfer Information

Seller	PACIFIC HEALTH PLAN ADMIN INC		
Transfer Value	$1,675,000	**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0002313378	**Deed Type**	

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0002313378	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

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Owner	Address	Parcel/Tax ID
LAXPATI,JATIN & SHAILA	, CA	7275-001-083

Transaction History

Transaction 1 - Transfer

Transaction Information

Buyer / Borrower	FHP INC		
Recorded Date	Sep 05, 1989	**Signature Date**	
Title Company		**Multiple/Portion**	

Ownership Transfer Information

Seller	UNKNOWN		
Transfer Value	$1,000,000	**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0001426463	**Deed Type**	

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0001426463	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Legend

$ Unusually large change in price

31 Multiple sales within a 30 day period

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Owner	Address	Parcel/Tax ID
LONG BEACH CITY	, CA	7278-015-955

Transaction History

Transaction 14 - Transfer

Transaction Information

Buyer / Borrower	CITY OF LONG BCH		
Recorded Date	Jun 17, 2011	**Signature Date**	Jun 15, 2011
Title Company	FIRST AMERICAN TITLE	**Multiple/Portion**	

Ownership Transfer Information

Seller	LONG BEACH PPD RETURN LLC		
Transfer Value		**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0000826584	**Deed Type**	Quitclaim Deed Of Trust

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0000826584	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Transaction 13 - Assignment

Transaction Information

Buyer / Borrower	PPD LONG BEACH WTC I LLC
Recorded Date	Sep 18, 2009
Document Number	1423659
Assigned Lender	LONG BEACH PPD RETURN LLC

Original Loan Information

Loan Amount	$16,658,569	**Loan Type**	Conventional
Document #	759268	**Interest Rate**	Fixed
Recorded Date	Apr 01, 2005		
Lender Name	BANK MIDWEST NA		

Transaction 12 - Transfer

Transaction Information

Buyer / Borrower	LONG BEACH PPD RETURN LLC		
Recorded Date	Sep 18, 2009	**Signature Date**	Sep 01, 2009
Title Company		**Multiple/Portion**	

Ownership Transfer Information

Seller	FIRST AMERICAN TITLE INS		
Transfer Value	$5,700,900	**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0001423660	**Deed Type**	Trustees Deed Upon Sale

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0001423660	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Transaction 11 - Assignment

Transaction Information

Buyer / Borrower	PPD
Recorded Date	Dec 24, 2008
Document Number	2256312
Assigned Lender	PAUL L CHRISTENSEN

Original Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	2798392	**Interest Rate**	Fixed
Recorded Date	Dec 14, 2006		
Lender Name	ONECAP FNDG CORP		

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Owner	Address	Parcel/Tax ID
LONG BEACH CITY	, CA	7278-015-955

Transaction History

Transaction 10 - Assignment

Transaction Information

Buyer / Borrower	PPD
Recorded Date	Dec 10, 2008
Document Number	2171848
Assigned Lender	DUANE R & CYNTHIA A DICKHUT

Original Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	2798392	**Interest Rate**	Fixed
Recorded Date	Dec 14, 2006		
Lender Name	ONECAP FNDG CORP		

Transaction 9 - Assignment

Transaction Information

Buyer / Borrower	PPD
Recorded Date	Oct 10, 2008
Document Number	1820482
Assigned Lender	LOREN D & JEAN M ULRICH

Original Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	2798392	**Interest Rate**	Fixed
Recorded Date	Dec 14, 2006		
Lender Name	ONECAP FNDG CORP		

Transaction 8 - Assignment

Transaction Information

Buyer / Borrower	PPD LONG BEACH WTC I LLC
Recorded Date	Sep 05, 2008
Document Number	1604192
Assigned Lender	8EIGHTS8 LLC

Original Loan Information

Loan Amount	$9,500,000	**Loan Type**	Conventional
Document #	2798392	**Interest Rate**	
Recorded Date	Jan 01, 2007		
Lender Name	ONECAP FNDG CORP		

Transaction 7 - Assignment

Transaction Information

Buyer / Borrower	PPD
Recorded Date	Mar 17, 2008
Document Number	451193
Assigned Lender	DARREN & BRENDA M BLANFORD

Original Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	2798392	**Interest Rate**	Fixed
Recorded Date	Dec 14, 2006		
Lender Name	ONECAP FNDG CORP		

Transaction 6 - Assignment

Transaction Information

Buyer / Borrower	PPD LONG BEACH WTC I LLC
Recorded Date	Dec 20, 2007
Document Number	2798393
Assigned Lender	KOSTECHKO WILLIAM TRUST

Original Loan Information

Loan Amount	$9,500,000	**Loan Type**	Conventional
Document #	2798392	**Interest Rate**	
Recorded Date	Dec 20, 2007		
Lender Name	ONECAP FUNDING CORP		

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Owner	Address	Parcel/Tax ID
LONG BEACH CITY	, CA	7278-015-955

Transaction History

Transaction 5 - Finance

Transaction Information

Buyer / Borrower	PPD LONG BEACH WTC I LLC		
Recorded Date	Dec 20, 2007	**Signature Date**	Dec 14, 2006
Title Company		**Multiple/Portion**	

Loan Information

Loan Amount	$9,500,000	**Loan Type**	Conventional
Document #	2798392	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name	ONECAP FUNDING CORP		

Transaction 4 - Assignment

Transaction Information

Buyer / Borrower	PPD LONG BEACH WTC I LLC		
Recorded Date	Dec 10, 2007		
Document Number	2699005		
Assigned Lender	LB PPD LLC		

Original Loan Information

Loan Amount	$16,658,569	**Loan Type**	Conventional
Document #	759268	**Interest Rate**	Fixed
Recorded Date	Apr 01, 2005		
Lender Name	BANK MIDWEST NA		

Transaction 3 - Finance

Transaction Information

Buyer / Borrower	PPD LONG BEACH WTC I LLC		
Recorded Date	Apr 01, 2005	**Signature Date**	Feb 24, 2005
Title Company	ATTORNEY ONLY	**Multiple/Portion**	

Loan Information

Loan Amount	$16,658,569	**Loan Type**	Conventional
Document #	759268	**Interest Rate Type**	Fixed
		Seller Carry Back	N
Lender Name	BANK MIDWEST NA		

Transaction 2 - Transfer

Transaction Information

Buyer / Borrower	PPD LONG BEACH WTC I LLC		
Recorded Date	Mar 02, 2005	**Signature Date**	Mar 01, 2005
Title Company	CHICAGO TITLE	**Multiple/Portion**	

Ownership Transfer Information

Seller	HEI LONG BEACH LLC		
Transfer Value	$18,000,180	**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0000474225	**Deed Type**	High Liability

Loan Information

Loan Amount	$17,000,000	**Loan Type**	Conventional
Document #	474227	**Interest Rate Type**	Fixed
		Seller Carry Back	N
Lender Name	BANK MIDWEST NA		

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Owner	Address	Parcel/Tax ID
LONG BEACH CITY	, CA	7278-015-955

Transaction History

Transaction 1 - Transfer

Transaction Information

Buyer / Borrower	HEI LONG BEACH LLC		
Recorded Date	Jan 07, 2005	**Signature Date**	Jan 03, 2005
Title Company	CHICAGO TITLE	**Multiple/Portion**	

Ownership Transfer Information

Seller	LBWTC REAL ESTATE PARTNERS LLC		
Transfer Value		**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0000050897	**Deed Type**	Grant Deed Or Deed Of Trust

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0000050897	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Legend

$ Unusually large change in price

31 Multiple sales within a 30 day period

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Owner	Address	Parcel/Tax ID
6TH & PINE DEV LLC	695 LOCUST AVE LONG BEACH , CA 90802	7273-025-001

Transaction History

Transaction 8 - Finance

Transaction Information

Buyer / Borrower	6TH & PINE DEV LLC		
Recorded Date	Mar 28, 2013	**Signature Date**	Feb 26, 2013
Title Company	FIRST AMERICAN TITLE	**Multiple/Portion**	Y

Loan Information

Loan Amount	$25,350,000	**Loan Type**	Construction
Document #	465266	**Interest Rate Type**	Adjustable Rate
		Seller Carry Back	N
Lender Name	EAST WEST BANK		

Transaction 7 - Finance

Transaction Information

Buyer / Borrower	6TH & PINE DEV LLC		
Recorded Date	Mar 14, 2013	**Signature Date**	Jan 11, 2013
Title Company	FIRST AMERICAN TITLE	**Multiple/Portion**	Y

Loan Information

Loan Amount	$1,530,000	**Loan Type**	Conventional
Document #	385879	**Interest Rate Type**	Adjustable Rate
		Seller Carry Back	N
Lender Name	EAST WEST BANK		

Transaction 6 - Finance

Transaction Information

Buyer / Borrower	6TH & PINE DEV LLC		
Recorded Date	Mar 23, 2012	**Signature Date**	Mar 06, 2012
Title Company	NORTH AMERICAN TITLE	**Multiple/Portion**	Y

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	448955	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name	EAST WEST BANK		

Transaction 5 - Finance

Transaction Information

Buyer / Borrower	6TH & PINE DEV LLC		
Recorded Date	Mar 23, 2012	**Signature Date**	Mar 06, 2012
Title Company	NORTH AMERICAN TITLE	**Multiple/Portion**	Y

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	448955	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name	EAST WEST BANK		

Transaction 4 - Finance

Transaction Information

Buyer / Borrower	PRESS TELEGRAM LOFTS LLC		
Recorded Date	Mar 23, 2012	**Signature Date**	Mar 06, 2012
Title Company	NORTH AMERICAN TITLE	**Multiple/Portion**	Y

Loan Information

Loan Amount	$15,474,181	**Loan Type**	Conventional
Document #	448954	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name	EAST WEST BANK		

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Owner	Address	Parcel/Tax ID
6TH & PINE DEV LLC	695 LOCUST AVE LONG BEACH , CA 90802	7273-025-001

Transaction History

Transaction 3 - Transfer

Transaction Information

Buyer / Borrower	6TH & PINE DEV LLC		
Recorded Date	Mar 22, 2012	**Signature Date**	Jan 30, 2012
Title Company		**Multiple/Portion**	Y

Ownership Transfer Information

Seller	PRESS TELEGRAM LOFTS LLC		
Transfer Value		**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0000442938	**Deed Type**	Grant Deed Or Deed Of Trust

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0000442938	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Transaction 2 - Transfer

Transaction Information

Buyer / Borrower	PRESS TELEGRAM LOFTS LLC		
Recorded Date	Jul 03, 2006	**Signature Date**	Aug 24, 2005
Title Company	NORTH AMERICAN TITLE	**Multiple/Portion**	

Ownership Transfer Information

Seller	SAVVAS N G LIVING TRUST		
Transfer Value	$800,000 (Full)	**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0001461581	**Deed Type**	Grant Deed Or Deed Of Trust

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0001461581	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Transaction 1 - Transfer

Transaction Information

Buyer / Borrower	SAVVAS NIKOLAOS G TRUST		
Recorded Date	Jun 09, 2005	**Signature Date**	
Title Company		**Multiple/Portion**	

Ownership Transfer Information

Seller	OWNER,RECORD		
Transfer Value		**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0001355023	**Deed Type**	Grant Deed Or Deed Of Trust

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0001355023	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Legend

$ Unusually large change in price

31 Multiple sales within a 30 day period

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Owner	Address	Parcel/Tax ID
740 EAST BROADWAY LLC	740 E BROADWAY LONG BEACH , CA 90802	7281-021-032

Transaction History

Transaction 7 - Transfer

Transaction Information

Buyer / Borrower	740 EAST BROADWAY LLC		
Recorded Date	May 12, 2005	Signature Date	
Title Company	ATTORNEY ONLY	Multiple/Portion	

Ownership Transfer Information

Seller	NAIFY,MARSHA J		
Transfer Value		Transaction Type	Resale
		Deed In Lieu	N
Document #	0001125767	Deed Type	Quitclaim Deed Of Trust

Loan Information

Loan Amount		Loan Type	Conventional
Document #	0001125767	Interest Rate Type	
		Seller Carry Back	N
Lender Name			

Transaction 6 - Transfer

Transaction Information

Buyer / Borrower	NAIFY,MARSHA J		
Recorded Date	Nov 26, 2003	Signature Date	
Title Company	NORTH AMERICAN TITLE	Multiple/Portion	

Ownership Transfer Information

Seller	SAX,TR		
Transfer Value	$835,000 (Full)	Transaction Type	Resale
		Deed In Lieu	N
Document #	0003582106	Deed Type	Grant Deed Or Deed Of Trust

Loan Information

Loan Amount		Loan Type	Conventional
Document #	0003582106	Interest Rate Type	
		Seller Carry Back	N
Lender Name			

Transaction 5 - Transfer

Transaction Information

Buyer / Borrower	SAX TRUST		
Recorded Date	Oct 20, 2000	Signature Date	
Title Company	STEWART TITLE	Multiple/Portion	

Ownership Transfer Information

Seller	MITCHELL,TRAVIS B		
Transfer Value	$416,000 (Full)	Transaction Type	Resale
		Deed In Lieu	N
Document #	0001643712	Deed Type	

Loan Information

Loan Amount	$316,000	Loan Type	Conventional
Document #	1643713	Interest Rate Type	Adjustable Rate
		Seller Carry Back	N
Lender Name	INTERNATIONAL CITY BANK		

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Owner	Address	Parcel/Tax ID
740 EAST BROADWAY LLC	740 E BROADWAY LONG BEACH , CA 90802	7281-021-032

Transaction History

Transaction 4 - Transfer

Transaction Information

Buyer / Borrower	MITCHELL,TRAVIS B		
Recorded Date	Jul 11, 2000	**Signature Date**	
Title Company		**Multiple/Portion**	

Ownership Transfer Information

Seller	BOOKER,WILLIAM C & NELL G		
Transfer Value	$100,000	**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0001059711	**Deed Type**	Trustees Deed Upon Sale

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0001059711	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Transaction 3 - Assignment

Transaction Information

Buyer / Borrower	William C & Nell G Booker
Recorded Date	Mar 16, 1998
Document Number	426420
Assigned Lender	US SMALL BUSINESS ADMN

Original Loan Information

Loan Amount	$158,000	**Loan Type**	Other
Document #		**Interest Rate**	Adjustable Rate
Recorded Date	Jan 01, 1900		
Lender Name	FOUNDERS NATIONAL BANK		

Transaction 2 - Finance

Transaction Information

Buyer / Borrower	BOOKER,WILLIAM C & NELL G		
Recorded Date	Mar 16, 1998	**Signature Date**	
Title Company		**Multiple/Portion**	

Loan Information

Loan Amount	$90,000	**Loan Type**	Conventional
Document #	0000426421	**Interest Rate Type**	Fixed
		Seller Carry Back	N
Lender Name	INDIVIDUAL		

Transaction 1 - Transfer

Transaction Information

Buyer / Borrower	BOOKER,WILLIAM C & NELL G		
Recorded Date	Mar 16, 1998	**Signature Date**	
Title Company	NORTH AMERICAN TITLE	**Multiple/Portion**	

Ownership Transfer Information

Seller	MITCHELL,TRAVIS B		
Transfer Value	$350,000	**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0000426414	**Deed Type**	

Loan Information

Loan Amount	$158,000	**Loan Type**	Conventional
Document #	0000426414	**Interest Rate Type**	Adjustable Rate
		Seller Carry Back	N
Lender Name	FOUNDERS NATIONAL BANK		

Loan Information

Loan Amount	$288,000	**Loan Type**	
Document #		**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

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Legend

Unusually large change in price

Multiple sales within a 30 day period

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Owner	Address	Parcel/Tax ID
GOLISON,BRUCE ETAL	850 LONG BEACH BLVD LONG BEACH , CA 90813	7273-017-026

Transaction History

Transaction 5 - Transfer

Transaction Information

Buyer / Borrower	GOLISON BRUCE & MARGO TRUST		
Recorded Date	Oct 18, 2005	**Signature Date**	Aug 12, 2005
Title Company		**Multiple/Portion**	

Ownership Transfer Information

Seller	GOLISON FAMILY TRUST		
Transfer Value	$165,000 (Full)	**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0002498222	**Deed Type**	Grant Deed Or Deed Of Trust

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0002498222	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Transaction 4 - Transfer

Transaction Information

Buyer / Borrower	GOLISON,MARK		
Recorded Date	Dec 03, 2003	**Signature Date**	
Title Company		**Multiple/Portion**	

Ownership Transfer Information

Seller	GOLISON,JENNIFER A		
Transfer Value		**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0003652006	**Deed Type**	Quitclaim Deed Of Trust

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0003652006	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Transaction 3 - Transfer

Transaction Information

Buyer / Borrower	GOLISON,TR		
Recorded Date	Dec 03, 2003	**Signature Date**	
Title Company		**Multiple/Portion**	

Ownership Transfer Information

Seller	DEHNER,TR		
Transfer Value	$165,000	**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0003652005	**Deed Type**	Grant Deed Or Deed Of Trust

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0003652005	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

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Owner	Address	Parcel/Tax ID
GOLISON,BRUCE ETAL	850 LONG BEACH BLVD LONG BEACH , CA 90813	7273-017-026

Transaction History

Transaction 2 - Transfer

Transaction Information

Buyer / Borrower	GOLISON,JAY		
Recorded Date	Dec 03, 2003	**Signature Date**	
Title Company		**Multiple/Portion**	

Ownership Transfer Information

Seller	GOLISON,JACKIE		
Transfer Value		**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0003652004	**Deed Type**	Quitclaim Deed Of Trust

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0003652004	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Transaction 1 - Transfer

Transaction Information

Buyer / Borrower	DEHNER,J DREW AND SUZANNE P TRS		
Recorded Date	Nov 22, 1993	**Signature Date**	
Title Company		**Multiple/Portion**	

Ownership Transfer Information

Seller			
Transfer Value		**Transaction Type**	Resale
		Deed In Lieu	N
Document #	0002292887	**Deed Type**	

Loan Information

Loan Amount		**Loan Type**	Conventional
Document #	0002292887	**Interest Rate Type**	
		Seller Carry Back	N
Lender Name			

Legend

$ Unusually large change in price

31 Multiple sales within a 30 day period

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Legal Aid Foundation of Los Angeles

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Our File Number 12-1218453

August 2, 2013

Brett Arriaga
Division of Housing Policy Development
California Department of Housing and Community Development
2020 W. El Camino, Suite 500
Sacramento, CA 95833
brett.arriaga@hcd.ca.gov

Sent via email and hard copy

RE: City of Long Beach's Draft 2013-2021 Housing Element

Mr. Arriaga,

Legal Aid Foundation of Los Angeles (LAFLA) is the frontline law firm for low-income people throughout Los Angeles County. LAFLA seeks to achieve equal justice through direct representation, systems change and community education. We do a great deal of work in the area of housing, including: affirmative litigation; national, state, and local policy work regarding the preservation and production of affordable housing; foreclosure and other homeownership issues; and eviction defense. As such, we take a great deal of interest in the City of Long Beach's Draft 2013-2021 Housing Element and its impact on the City's residents.

We have numerous concerns with the City's Draft Housing Element. Our concerns and recommendations are outlined in this letter.

I. The Draft Housing Element Does Not Reflect Community Input from Planning Commission Study Sessions and Community Stakeholder Meetings.

In preparing the Housing Element, the local government must "make a diligent effort to achieve public participation of all economic segments of the community..." (CA Gov't Code Sec. 65583(c)(8)) Public participation entails more than simply holding meetings and recording community input. The community's input must be reflected in the Draft Housing Element and it must influence what is included in the Draft Housing Element. As you can see from Pages 3-6 of the Draft Housing Element and Appendix A, there was substantial community input leading up to the drafting of the Draft Housing Element. There was community participation at two Planning Commission study sessions, which were held on March 7, 2013 and June 20, 2013. There were over 150 members of the public in attendance at both of these meetings, which had extensive public comment. Additionally, the City held three community stakeholder meetings, which were very well attended. At both of the Planning Commission study sessions and at all three of the

community stakeholder meetings, community members consistently shared three areas of concern pertaining to housing – housing affordability, housing quality and housing location. Community members also consistently shared four policy solutions to their concerns: (1) adoption of a Mixed Income Housing Policy (inclusionary housing), to ensure that a percent of all new apartment and condominium buildings are affordable to Long Beach residents; (2) dedication of permanent, local sources of funding for affordable housing (i.e., Boomerang Funds and commercial linkage fees); (3) adoption of a Rent Trust Account Program, which is a cost effective solution to addressing the substandard condition of rental housing in Long Beach. (This Program would allow tenants residing in substandard units to pay their rent, or a reduced rent, to the City until their homes are repaired); and (4) identification of healthy sites for affordable housing, in healthy, safe and unsegregated communities. These four solutions are reflected in the summary of public participation in the Draft Element. Unfortunately, however, the Draft Housing Element does not include any of the community's solutions to the City's housing crisis. The Draft Housing Element generally mentions a few of these solutions, but it makes no real commitments to implement any of them. It is critical that the Element be revised to include real, enforceable commitments to these community driven solutions. Otherwise, the City is not meeting its requirement to "make a diligent effort to achieve public participation of all economic segments of the community..." (CA Gov't Code Sec. 65583(c)(8))

Public participation entails more than simply holding meetings and recording community input. The community's input must be reflected in the Draft Housing Element and it must influence what is included in the Draft Housing Element. The Programs Section must demonstrate that the locality took affirmative steps to get input from low income persons and their representatives as well as other members of the community in the development of the Housing Element. Unfortunately, this did not occur in Long Beach. We urge HCD to direct the City to revise the Element to include real commitments to the solutions identified by community members during public participation.

II. The Draft Housing Element Does Not Include An Adequate Analysis of Governmental Constraints.

State law provides that the Housing Element shall contain: "An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, [...] and for persons with disabilities [...], including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities..." California Government Code §65583(a)(5).

A. Land Use Controls

The Draft fails to conclude whether most of the discussed potential constraints function as actual constraints to the maintenance, improvement and development of housing in the City. In particular, the discussion of land use controls needs to be strengthened to include more analysis regarding: (1) how residential development standards and zoning constrain affordable housing development; (2) how conditional use permits and site plan review requirements for multifamily housing developments constrain housing; and (3) the effectiveness of the City's second unit and density bonus ordinances. The Draft Element must be revised to include this analysis.

B. Housing for Persons with Disabilities

1. Siting of Housing for Persons with Disabilities

The Draft fails to sufficiently analyze constraints to the development of housing for persons with disabilities, including how local land use and zoning regulations impact the siting and development of housing for persons with special needs. The Draft should also include an analysis of the impacts of conditional use permit requirements in the City's zoning code on housing for persons with disabilities.

2. Definition of Family

The Draft Housing Element should contain additional analysis of the definition of "family" in the City's Zoning Code. "Family" is defined in the City's Zoning Code as "any group of individuals living together based on personal relationships. Family does not include larger institutional group living situations such as dormitories, fraternities, sororities, monasteries, nunneries, residential care facilities or military barracks, nor does it include such commercial group living arrangements as boardinghouses, lodginghouses and the like." (LBMC 21.15.1010.)

The definition of "family" excludes residential care facilities, indicating that a residential care facility cannot function as a family. This singles out housing for people with disabilities and treats such housing differently than housing for groups of persons without disabilities who might reside together. The element of a treatment component in a residential care facility does not take away from the family-like functioning of such a household. The effect of the definition of "family" is to prohibit residential care facilities from siting by right in single family residential zones, which are great locations for many of these licensed facilities. The definition of "family" is also vague and problematic because the term "large" is not defined. These deficiencies were raised in our comment letter regarding the City's last Housing Element and HCD asked the City to include a program to review this definition. The City has reviewed it and concluded that its definition is not problematic. (Draft HE, p. 89.) We disagree with the City's conclusion. HCD should instruct the City to include a program in its Housing Element to revise the definition of family to fix these deficiencies before the final Housing Element is approved by HCD.

3. Definition of Medical Office

The definition of "medical office" is also problematic. "Medical office" is defined as "a commercial land use involved in the practice of medicine (not including psychiatric medicine or psychology services), but not including the overnight care of a patient." (LBMC 21.15.1740.) While not addressing housing directly, this definition is also important, as it excludes mental health from the definition of medical office and there should be no such distinction. Additionally, this provision violates CA Welfare & Institutions Code Sec. 5120, which pre-empts certain local regulation of mental health treatment programs. This state law indicates that in any zone in which hospitals and nursing homes are permitted, mental health treatment programs are also permitted. This speaks to parity. This definition impacts housing because services should be able to locate near housing.

The Draft Element should be revised to analyze and address this constraint, which impacts housing for persons with disabilities.

C. Coastal Zone Housing Policies

Coastal zone communities, such as Long Beach, must take into account the Mello Act's coastal zone affordable housing requirements in their Housing Elements. (CA Gov't Code Section 65588(c)) The Mello Act (CA Gov't Code Section 65590) seeks to preserve and increase the supply of affordable housing in coastal zone jurisdictions and requires one for one replacement of affordable units that are demolished or converted in the coastal zone. In the Housing Element, coastal zone jurisdictions such as Long Beach must document: the number of coastal zone units approved for construction after January 1, 1982; the number of affordable units required to be provided within the coastal zone or within three miles of the coastal zone; the number of units occupied by low and moderate income households authorized for demolition or conversion since 1982; and the number of low and moderate income units required, either within the coastal zone or within three miles of the coastal zone, to replace those units demolished or converted. (CA Gov't Code Sec. 65588(d)) Beyond documenting the compliance requirements of the Mello Act, CA Gov't Code Sec. 65588(c) mandates that coastal zone jurisdictions "take into account" the units required or provided pursuant to the Mello Act. This indicates that these units should be given specific attention in the Element. The Element should include implementation actions to address any constraints to their development and describe the ways that the lost units will be mitigated. (CA Gov't Code Sec. 65588(c)(3) and (4))

The Draft Housing Element states that the City requires one for one replacement of affordable units demolished or converted in the coastal zone. (Draft HE, p. 65). The Draft Housing Element further states that developers can satisfy the Mello Act's replacement housing obligations through rehabilitation of substandard units, subsidy of existing units or payment of an in lieu fee. (Draft HE, p. 65). There are problems with each of these options, as they act as a constraint to actually replacing units lost on a one for one basis. Rehabilitation of substandard units, the subsidy of existing units and the payment of very low in lieu fees, do not result in one for one replacement. The City's in lieu fees range from $10,000 to $30,000 per unit. (*See* LBMC 21.61.070). This in lieu fee range does not allow for one for one replacement of affordable units, as it costs approximately $300,000.00 to build a single unit of affordable housing. Not surprisingly, the Draft Element states, on page 81, that "in all cases...the developers opted to pay the in lieu fees." Developers have opted to pay the fees because they are set so low that they are the most inexpensive means of compliance.

The Draft Housing Element also states (on page 66) that 393 affordable units have been provided in the coastal zone since 1980, yet it provides no other detail regarding these units (i.e., location or affordability levels) or how many coastal zone units have been demolished or converted. Then, on page 81, the Draft Housing Element contains conflicting information with the information on page 65. On page 81, the Draft Element states that in lieu fees have been used to support the production of 77 affordable units, not 393 units, and the Draft Element fails to state where these 77 affordable units are located. Moreover, the Draft Element fails to include information regarding the number of affordable units required to be provided within the coastal zone or within three miles of the coastal zone; the number of units occupied by low and moderate income households authorized for demolition or conversion since 1982; and the number of low and moderate income units required, either within the coastal zone or within three miles of the coastal zone to replace those units demolished or converted. (CA Gov't Code Sec. 65588(d)) Beyond failing to document the compliance requirements of the Mello Act, the Draft Housing Element fails to include implementation actions to address constraints to their development and describe the ways that the loss of units will be mitigated. Therefore, the Draft Housing Element must be revised to include this missing analysis and corresponding Programs to mitigate these constraints.

The City should only allow developers to satisfy their replacement housing obligations through: (1) new construction; (2) adaptive re-use; and (3) payment of in lieu fees set high enough to actually result in one for one replacement. The City should commit in its Housing Element to reviewing and revising its local ordinance implementing the Mello Act, which is located at LBMC Sec. 21.61, to ensure that affordable units demolished or converted in the coastal zone are actually replaced on a one for one basis, as is required by State law.

D. Downtown Plan (PD 30)

The majority of the sites identified by the City for affordable housing development are located in PD 30, which is also known as the Downtown Plan area. (*See* Draft HE, pp. 60 & 92.) The Downtown Plan was adopted by the City in January 2012. It includes 719 acres. It spans from Ocean to Anaheim and the Los Angeles River to Alamitos.[1] In the Downtown Plan, the City substantially raised land values by implementing four key development incentives: (1) increased height and density; (2) reduced parking requirements; (3) fast tracked development; and (4) adoption of a Program EIR for the entire Community Plan area. (Draft Housing Element p. 60). As articulated in the Downtown Plan and the City's Program EIR for the Plan, these development incentives were intended to result in: 5,000 new market rate residential units; 1.5 million square feet of new office and civic development; 384,000 square feet of new retail development; 96,000 square feet of new restaurants; and 800 new hotel rooms. The Downtown Plan, or PD 30, acts as a constraint to the development of affordable housing because land values in PD 30 are now out of reach to affordable developers who are unable to develop affordable housing where land prices are highest. Therefore, it is not appropriate for the City to identify the majority of its sites for affordable housing in the Downtown Plan area, as PD 30 acts as a constraint to the development of affordable housing.

The Draft Housing Element should be revised to analyze PD 30 as a constraint to the development of affordable housing. Moreover, the Draft Element should be revised to include additional sites, outside of PD 30, which are more appropriate and available for the development of affordable housing.

III. The Draft Housing Element Does Not Include An Adequate Analysis of Nongovernmental Constraints.

The Housing Element shall also contain: "An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction." (CA Gov't Code §65583(a)(6))

A. Funding for Affordable Housing

The Draft Housing Element fails to include an analysis regarding the lack of funding for affordable housing as a constraint to affordable housing development. The City previously had an annual housing budget of approximately $25 million a year from redevelopment housing set aside funds. With the demise of redevelopment, Long Beach has lost its only local, dedicated revenue source for affordable housing. This is an enormous constraint to the development of affordable housing because affordable developments typically require a layer of local funding.

[1] http://www.lbds.info/civica/filebank/blobdload.asp?BlobID=3707

The Draft Housing Element must be revised to include an analysis of this constraint and Programs to address the impacts of this constraint.

While the City adopted a Housing Trust Fund many years ago, it has never had enough money in the Trust Fund to produce even a single unit of affordable housing.

B. NIMBY Opposition

The Draft Housing Element fails to include an analysis regarding strong NIMBY (not in my back yard) opposition to the creation of affordable developments in the City. Long Beach has a long history of vehement NIMBY opposition, especially for housing developments for persons with mental disabilities. This must be analyzed as a constraint in the Element.

IV. The Draft Housing Element Does Not Include An Inadequate Land Inventory, Especially With Respect to Site Identification and Suitability of Non-Vacant Sites.

State law provides that the Housing Element shall contain: "An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites." (CA Gov't Code §65583(a)(3)). For non-vacant sites identified in the inventory, the city "shall specify the additional development potential for each site within the planning period and shall provide an explanation of the methodology used to determine the development potential. The methodology shall consider factors including the extent to which existing uses may constitute an impediment to additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites." (CA Gov't Code §65583.2(g))

Pursuant to CA Govt. Code §65583.2(g), the Draft must specifically describe the methodology used to establish the development potential of non-vacant sites. This analysis must include: (1) the extent to which existing uses may constitute an impediment to additional residential development; (2) development trends; (3) market conditions; and (4) the availability of regulatory and/or other incentives (e.g., expedited permit processing, fee waivers/deferrals) that encourage additional residential development on these sites. The Draft fails to include an analysis of these factors. The vast majority of sites identified by the city are not vacant. Of the 31 sites identified, only six are vacant. Most of the sites identified have existing uses such as a parking lot, office building, restaurant, auto repair or retail store. The Draft Housing Element includes *no discussion* as to why the City believes these existing uses are likely to cease to exist. The Draft Housing Element further includes *no discussion* as to why the City believes future uses of these sites are likely to be residential as opposed to other uses. The Draft Housing Element also fails to consider the impact of the current housing market in the future development of these sites. It also appears that the City is relying solely on the base zoned density to establish development potential on these sites. Finally, the City has made the assumption that many of the sites are underutilized and available for housing because they are assessed at a below-market value. The Draft Element states that "[t]hese uses do not represent the highest and best uses for the sites and are not consistent with the City's vision for these areas." (Draft HE, p. 89.) Although the value of a parcel may increase if its use is changed to residential, that, by itself, is not a sufficient indication that the site will be available for residential development. The existing use may remain vital, profitable and ongoing. Moreover, the City's desired vision has no impact on the actual use of a site. Therefore, the land inventory and identification of sites in the Draft

Housing Element is inadequate and must be modified to include further analysis and additional sites.

V. The Draft Housing Element Fails to Properly Address the Need for Preservation and Creation of Affordable Housing Along Transit Corridors.

The Draft Housing Element fails to provide an enforceable plan to preserve and create affordable housing along transit corridors and prevent displacement of low-income communities most likely to benefit from increased development of affordable housing near transit. While the Draft touts that a number of the sites the City has identified as suitable for housing development lie along the Metro Blue Line, and the City has identified facilitating TOD as a high priority (Draft HE, pp. 94-95), development of TOD for the sake of TOD is simply not enough and may in some cases counteract the intended goal of reducing environmental impacts. Without comprehensive and aggressive preservation and creation of affordable housing in and around these transit areas, any benefits of TOD will likely be severely undercut and counter-productive.

Recent studies have shown that low income households are more likely to utilize transit infrastructure more consistently than higher-income households.[2] Studies have also shown that preserving and building truly affordable homes near transit for low income and very low income residents will maximize the benefit of investment in Transit Oriented Development (TOD) to reduce vehicle miles travelled (VMT) as well as greenhouse gas emission (GHG).[3] Any plan for increased TOD must include a plan to preserve housing for low income households along corridors where transit infrastructure is being built.

Demand for housing along transit-rich corridors is expected to rise exponentially in the coming decades. In the Los Angeles region alone, it is forecasted that by 2030 over 1.7 million households or about 22 percent of the region will want to live near transit.[4] This increased demand will undoubtedly have a detrimental impact on low-income households by driving up rental pricing. The pressures of gentrification in some transit-rich sectors with TOD plans has already driven many low-income families out of their neighborhoods and into areas that are further from their jobs, schools and social networks. When low income households are displaced by the creation of new TOD, it undermines efforts to reduce VMT and GHG by making transit inaccessible to the individuals who are likely to have a higher rate of transit utilization and more likely to reduce individual automobile use.

Moreover, census data shows that persons of color are more likely to rely more heavily on transit than Caucasians, even when controlling for income. African Americans are almost six times more likely than Caucasians to travel by public transit while Latinos are three times more likely than Caucasians to do so.[5] CA Gov. Code § 65583(c)(5) requires housing elements to address the implementation of actions that will promote equal housing opportunities for all groups

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[2] California Housing Partnership Corporation Report, "Building and Preserving Affordable Homes near Transit: Affordable TOD as Greenhouse Gas Reduction Equity Strategy" January 2013.

[3] *Id.*

[4] Center for Transit-Oriented Development: "Creating Successful Transit-Oriented Districts in Los Angeles/Executive Summary" (February 2010).

[5] Stephanie Pollack, Barry Bluestone and Chase Billingham, "Maintaining Diversity in America's Transit-Rich Neighborhoods: Tools for Equitable Neighborhood Change" Dukakis Center for Urban and Regional Policy at Northeastern University (October 2010), Pgs. 13-14.

protected by state and federal fair housing laws, including categories such as race and gender, as well as disabilities, families with children, sexual orientation and source of income discrimination. This required analysis is most salient in light of the growing number of studies showing displacement of protected groups along TOD. In a richly diverse city such as Long Beach, the importance of ensuring equitable preservation of affordable housing for all of its diverse communities is especially important.

The shift back towards the City's core and along its public transit routes has already had a significant impact on the availability of affordable housing and will continue to do so in the years ahead. It will also likely trigger significant demographic shifts. City planners must analyze this impact ahead of further development along transit lines and provide tools in the Draft Element to address these displacing dynamics already in motion. As written, the Draft Element is devoid of any meaningful analysis of TOD development and the City's obligation to maintain affordable housing and promote fair housing.

As part of its program 4.2, the City claims that in keeping with its principles and policies established in the City's 2010 Strategic Plan and in the Land Use Element of the General Plan, "new and high-density residential and mixed use development is to be focused in key locations allowing for the preservation of existing and stable neighborhoods." (Draft HE, p. 123.) The Draft Element goes on to claim that guidelines for higher densities are being targeted along transit corridors, in the downtown and greater downtown areas and that housing opportunities are being expanded in other areas of the City. This language provides only vague references to preservation and creation without mentioning specific actions for the preservation or creation of affordability for low income households. Moreover, this language does not provide any tangible mechanisms for enforcement and/or incentives. Rather, the focus is on development along transit corridors already identified. Therefore, the necessary analysis is missing from the Draft Element.

Survey data shows a correlation between a growth in housing cost burdens for residents who remain in neighborhoods after new transit is built and the influx of higher income residents who are more likely to own cars and therefore less likely to use public transit as consistently as low income residents.[6] In a national comparison of several major Transit Rich Neighborhoods (TRN's), median rents rose by as much as 50 percentage points in light rail neighborhoods than in other metro areas.[7] While the goal of promoting increased ridership along public transit to reduce impacts to the environment is an admirable one, planners must not lose sight of the real unintended consequences that expansion and development may have in pushing out those households already reliant on existing transit routes.

What is needed is a comprehensive approach to development along transit corridors that includes aggressive preservation and creation of affordable housing options for low income residents. This could be accomplished by enhancing tenant protections, stepping up of code enforcement to ensure safe and stable housing, incentivizing preservation by creating benefit programs that will keep landlords already offering affordable units, in rent-restricted programs either through direct

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[6] Stephanie Pollack, Barry Bluestone and Chase Billingham, "Maintaining Diversity in America's Transit-Rich Neighborhoods: Tools for Equitable Neighborhood Change" Dukakis Center for Urban and Regional Policy at Northeastern University (October 2010), Pgs 25-26.

[7] *Id* at 31.

rent subsidies or other incentives such as tax credits and fee waivers and by inclusionary housing requirements, which would require that percent of all new TOD development be set aside, on-site, for lower income households.

This would be most consistent with the mandate of new SB 375-related requirements. Under Government Code § 65583(c)(4), the city must work to conserve and improve the condition of existing affordable housing stock. These requirements may include having to mitigate the loss of units lost by private or public action. Government Code § 65583(c)(6) further requires the City to preserve assisted housing developments for lower income households by utilizing, if necessary, all federal, state and local financing and subsidy programs to do so. While the Draft partially addresses the concern of assisted housing preservation, no analysis is given to the feasibility of prioritizing preservation either through rental assistance, replacement and development or purchasing affordability specifically along transit oriented zones (Draft, pp. 43-51).

Under its existing obligation to further analyze assisted housing stock, the city would be well served to pay especially close attention to those assisted units at risk of conversion to market rate housing due to the increased desirability of transit-rich neighborhoods. The cost, for example, of purchasing long-term affordability as described on page 51 of the Draft HE, in advance of transit build out, would greatly benefit advancing the ideals of TOD by assisting high utilizing households to stay in transit rich neighborhoods. City planners are in a unique position to coordinate efforts of maintaining sustainability and promoting transit growth.

The Draft Element, for example, touts the use of planning districts (PD's) throughout the City in which the City plans to ease certain zoning and design requirements that would otherwise impair development in these areas. (Draft HE, p. 58.) Several of the PD's listed would, in one way or another, be related to TOD throughout the City (for example, Downtown, Long Beach Boulevard and Downtown Shoreline). The City must, in conjunction with the goal of eliminating blight and improving opportunity in these PD's, examine the role non-preservation minded TOD would play in displacing low income residents.

Gov't Code § 65080(b)(2)(B) requires planners to establish a reduced development blueprint which will not only reduce greenhouse gas emissions, but also take into account the state housing goals contained in the Housing Element Law and identify areas to house all economic segments of the population over the typical 20 to 30 year planning term for a Regional Transit Plan. Thus, new development should be pursued only when it is truly transit oriented- not only developed along transit lines, but designed to benefit those most likely to use public transit. Density bonuses, waivers and relaxed standards should only be granted to projects along TOD that specifically set aside a substantial percentage of units for low income households. Community Land Trusts (CLT) are also often touted as valuable tools to assist in affordable housing creation by carving out and locking in affordability for long periods of time. However, given the reality that the transit systems often take well over 30 years to build out completely, policies to ensure affordability are better served by longer-term protections that will mirror the longevity of transit expansion.[8] Planners should consider the fact that the region's transit system is far from being

[8] *See* Robert Hickey, *The Role of Community Land Trusts in Fostering Equitable Transit Oriented Development: Case Studies from Atlanta, Denver and the Twin Cities*, Lincoln Land Policy Institute (2013), pg. 35.

fully developed and will be expanding for decades to come. Long Beach continues to play a crucial role in that plan as a key hub in the transit plan. Therefore a more equitable approach to affordable housing preservation and creation should demand longer-term affordability in exchange for the substantial investments and incentives being afforded to developers.

There must also be better protections for tenants facing displacements, such as an enhanced anti-tenant harassment provisions where landlords are prohibited from forcing tenants to abandon their tenancies through intimidation, coercion or fraud. At a minimum, the City should have a goal of developing policies that ensure no net loss of affordable units along transit corridors just as it must observe a "no net loss" mandate along the City's costal zone. Finally, the City should adopt inclusionary housing requirements for all TOD developments to ensure that lower income households who actually utilize transit will live in close proximity to it.

VI. The Draft Housing Element Fails to Identify Appropriate Sites for Emergency Shelters.

Pursuant to SB 2, the City is required in its Housing Element to identify by-right zones permitting emergency shelters. The identified zone or zones must include sufficient capacity to meet the shelter bed gap for the jurisdiction. (CA Gov't Code Sec. 65583(a)(4))

The Element must also analyze the suitability of sites identified for residential development relative to environmental conditions or issues. The analysis must include "[a] general description of any environmental constraints to the development of housing within the jurisdiction, the documentation for which has been made available to the jurisdiction." (CA Gov't Code Sec. 65582.2(b)(4)) The housing element must include a general description of any known environmental features that have the potential to impact the development viability of the identified sites.

HCD certified Long Beach's 2008-2014 Housing Element in a letter dated June 3, 2009. At that time, Long Beach had not yet adopted a "by right" zone for emergency shelters. Instead, Long Beach stated that it would amend its zoning code within one year of certification of its Housing Element to create a by right zone for SB 2 compliance. Long Beach proposed two potential by right zones in its 2008-2014 Housing Element: (1) the Industrial Port Zone (IP); and (2) the Villages at Cabrillo (PD 31). At that time, community stakeholders shared serious concerns with both of these proposed zones. Our concerns were shared at public hearings and in written comments, which were submitted to both the City and HCD. As a result, HCD's June 3, 2009 certification letter to the City of Long Beach stated as follows:

> "The City submitted revisions on April 7, 2009 and subsequent revisions on April 23 and May 5, 6, 8 and 11, 2009. These revisions were completed and reviewed in an expedited manner for the purposes of establishing eligibility for the State Infill Infrastructure Grant Program. **The expedited revision and review of the housing element left the public with limited opportunity to review and comment on the various revisions.** In addition, the City did not have the opportunity 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. **As a result, the Department strongly recommends Long *Beach continue to engage the* community on housing element issues, especially those raised by stakeholders on earlier drafts of the housing element. For example, the city should continue to consider public comments on the identification of the**

Port-IP zone for emergency shelters (Program 2.2)....If necessary, the City should amend programs if the annual report review finds strategies are not effective in providing needed housing opportunities." (emphasis added.)

Unfortunately, the City of Long Beach did not amend its zoning code to comply with SB 2 within one year of certification of its Housing Element. Moreover, the City failed to engage community stakeholders in any manner regarding the identification of appropriate by-right zones for emergency shelters, as recommended by HCD. In fact, the City took no action regarding SB 2 compliance until March 21, 2013, at which time the City asked the Planning Commission to approve the IP zone and PD 31 as by right zones for SB 2 compliance. City staff subsequently presented these recommended by right zones to the City Council on April 16, 2013. Community stakeholders appeared at both the Planning Commission and City Council hearings in opposition to the proposed zones. Stakeholders testified regarding the complete lack of community engagement regarding the identification of the proposed zones and the inappropriateness of the proposed zones themselves. Specifically, stakeholders explained that the proposed zones were inappropriate and inadequate for SB 2 compliance for the following reasons:

(1) The IP zone is located on port land, in the most toxic, heavy industrial part of the City. The IP zone includes many industrial pollution sources, such as the port, the 710 freeway and an oil refinery. Moreover, there are currently additional heavy industrial projects in the pipeline for this area, including the 710 Freeway expansion, the Pier B project and the Southern California International Gateway (SCIG) rail yard expansion project. The Draft Housing Element attempts to justify this zone for emergency shelters with the follow statement: "**Assuming that the docks, piers, and primary port activity will not be targeted for emergency shelters, this leaves an area north of the Southern Pacific Railroad right-of-way, south of Anaheim Street, between the Terminal Island (I-47) and Long Beach Freeways (I-710).**" (Draft HE, p. 73) (emphasis added). The City has clearly stated, in this quoted language, that the proposed zone is bound by two freeways and a railway.[9] This is not an appropriate zone for any residential use. And, as stated above, HCD noted in its June 3, 2009 letter that it had concerns regarding the identification of the IP zone.

(2) PD 31 is owned entirely by a private developer, the Century Villages at Cabrillo. While Century Villages has built emergency shelters on its land at PD 31 in years past, Century testified at the April 16, 2013 City Council hearing that it has no intention of building additional shelters within PD 31 in the future. Century explained that they intend to use their additional acreage at PD 31 to build permanent supportive housing. Therefore, designating PD 31 as the by-right zone for the purposes of SB 2 compliance is completely meaningless, as it will not result in increased capacity to meet the City's unmet shelter bed gap.[10]

For each of these reasons, community stakeholders opposed City staff's recommended by-right zones at the recent Planning Commission and City Council hearings. Community stakeholders asked that the City consider adopting one of four alternative by-right zones, each of which is more appropriate than the zones proposed by City staff:

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[9] Housing Long Beach, who has submitted a separate comment letter to HCD re: Long Beach's Draft Housing Element, conducted a photo and survey analysis of the City's SB 2 site located in the IP Zone. These photos and surveys indicate that this site is wholly inappropriate for any type of residential use. Please see Housing Long Beach's comment letter for details, analysis and photos.

[10] The City asserted in its April 16, 2013 Staff Report to the City Council re: SB 2 that the City's unsheltered bed gap consists of 380 individuals and 72 persons in families with children.

(1) Light Industrial Zone: The industrial uses are much lighter in this zone than in the Industrial Port zone, therefore this zone is much more appropriate for an emergency shelter.
(2) PD 29: This zone includes Long Beach Blvd., between Anaheim and Wardlow. This area is transit rich, close to social services and it is not located near heavy industrial uses, therefore it is much more appropriate for an emergency shelter.
(3) Medium Industrial Zone: The industrial uses are lighter in this zone than in the Industrial Port zone, therefore it is more appropriate for an emergency shelter.
(4) PD 21: This includes the south shore of the Queens Way Bay: There are no heavy industrial uses in this area, so it is more appropriate for a shelter.[11]

Of these four alternative solutions, community stakeholders recommended Light Industrial and PD 29 as their preferred solutions.

Community stakeholders attended the Planning Commission and City Council hearings and presented these alternatives for the City's consideration. Unfortunately, however, City staff stated that it could not engage the community and consider our proposed solutions because the City had to wrap up SB 2 compliance before beginning its new Housing Element, for the 2014-2021 planning period. This was a surprising response, as the City has been out of compliance for nearly three years, since June 2010. Community stakeholders encouraged the City to continue the hearing and return with a staff report considering the community's alternatives at a date certain in the near future, but City staff said that there was no time to do so and that HCD would not permit this.

The City Council directed City staff to consider the community's proposed by-right zones in the upcoming Housing Element cycle. City staff said that it would do so, but that it would not have time to make any zone changes before the Draft Housing Element was released. This was problematic because this is the very same approach that led to the City's current non-compliance with SB 2. The City should not be allowed to continually "kick the can down the road" with respect to SB 2 compliance. This failure to comply was magnified, once again, when the Draft Housing Element was released, as the Draft Element fails to include any analysis or commitments to examine alternative by-right zones in the 2013-2021 planning period. The Draft Element merely states, "The City will *explore* additional opportunities in the City for allowing emergency shelters as its numerous specific plans are updated or as part of regular Zoning Code updates." (Draft HE, p. 113) The City has committed to doing nothing concrete, specific or enforceable in this language. And, the language fails to mention the community's four alternative by-right zones, which we have suggested numerous times and which the Planning Commission and City Council expressed an interest in including in the Draft Element.

It is imperative that HCD instruct the City to identify other by right zones for SB 2 compliance in the current Housing Element, in a clear Program with strict timelines and suggested zones for consideration. The City sat idle regarding this important requirement for the last 4 years, since its last Housing Element was certified on June 3, 2009. The City completely failed to engage the community in any way regarding the identification of appropriate by right zones, despite HCD's direction to engage the community in its June 3, 2009 certification letter. The City has identified by-right zones that do not comply with SB 2. Community stakeholders presented the City with four viable, more appropriate by right zones and the City refused to consider these community

[11] The Tidelands Act would not necessarily preclude an emergency shelter in this zone. The Tidelands Act precludes long term residential uses. Emergency shelters are defined as short term residential uses in the City's zoning code. The Tidelands Act permits short term residential uses, such as hotels and extended stay hotels

driven solutions. For each of these reasons, we seek HCD's assistance in rectifying the City's failure to comply with SB 2. Additional analysis must be added to the Draft Element, to identify new by right zones, and the City must include a Program to re-zone with specific timelines.

VII. The Draft Housing Element Does Not Include an Adequate Statement of Goals and Quantified Objectives.

State law provides that the Housing Element shall contain: "A statement of the community's goals, quantified objectives, and polices relative to the maintenance, preservation, improvement, and development of housing." (CA Gov't Code §65583(b))

There should be a corresponding goal and policy in the Housing Element for each housing need, resource inadequacy and constraint identified in the Housing Needs Assessment section of the Draft Element. In addition, there must be a quantified objective for each housing need identified. Because the Draft Element fails to include an adequate analysis of the City's resources and constraints, the Draft also fails to contain a complete statement of goals, quantified objectives and policies. The Draft Housing Element must be revised to include a corresponding goal, quantified objective and policy for each housing need, resource inadequacy and constraint. Moreover, the goals must be revised to include meaningful, enforceable language. Many of the goals in the Draft Element contain vague and unenforceable language, such as the following:

1. "*Pursue* opportunities *to identify* stable revenue sources to the Housing Trust Fund." (Draft HE, p. 104) This statement is meaningless, as it does not commit the City to take any actions that can be completed within the planning period. The Housing Trust Fund has never had enough money in it to produce even a single unit of affordable housing since it was created nearly 10 years ago. This has occurred because the City has not committed to a single meaningful, enforceable goal in its past and current Housing Elements.

2. On page 106 of the Draft Element, the City identifies housing production, housing cost and overcrowding as serious issues, but there are not corresponding goals, policies or programs to address these issues.

3. On Page 106 of the Draft Element, Policy 4.1 states that the City seeks to promote housing development throughout the City to avoid concentrations of affordable housing in specific neighborhoods. However, this statement directly contradicts the City's site selection. The map of sites identified on page 92 of the Draft Element illustrates that the City has not identified a single site in north or east Long Beach. The majority of the sites identified are downtown, with a few sites in central and west Long Beach.

4. On page 106 of the Draft Element, Policy 4.5 states that the City will "encourage residential development along transit corridors." However, the Element fails to include any concrete steps or actions explaining how the City will do this. Moreover, the Draft Element fails to any include anti-displacement protections or affordable housing requirements for TOD developments, which are critical to successful TOD.

5. On page 107 of the Draft Element, Policy 4.9 states that the City will "utilize development agreements as a tool to achieve a mix of affordability levels in large scale projects." This policy has been in the City's last two Housing Elements, yet the

City has continually refused to utilize development agreements accordingly. This Policy must be revised to include specific, concrete, enforceable commitments.

VIII. The Draft Housing Element Does Not Include Adequate Programs with a Schedule of Actions.

The Housing Element shall contain: "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, provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available and the utilization of moneys in a low and moderate-income housing fund of an agency if the locality has established a redevelopment project area pursuant to the Community Redevelopment Law..." (CA Gov't Code Sec. 65583(c))

Accordingly, the Programs section of the Housing Element must contain a program of actions with concrete programs for fulfilling the goals, policies and objectives contained in the Element. The Programs section must include implementation actions which include: land use and development controls; regulatory concessions and incentives; utilization of federal and state financing and subsidy programs; and utilization of redevelopment housing set aside funds. Each specific action must include: (1) the agency and officials responsible for the implementation (CA Gov't Code Sec. 65583(c)(7); (2) the timeline or schedule in which the action will be carried out. The action must be scheduled within the timeframe for the Element so that there will be "beneficial impacts" during the planning period. Programs must be scheduled for completion before the end of the planning period so that they will have their intended effect during the planning period; and (3) the proposed measurable outcomes, including the number of units to be assisted.

Specificity of implementation actions is necessary to ensure that meaningful and enforceable commitments are made by a jurisdiction. An adequate program should require a particular action to be taken by a particular date. Programs should include: specific action steps; measurable outcomes; a demonstration of the locality's firm commitment to implementation; and identification of funding sources, where appropriate. (*See* HCD Building Blocks 5.A.)

The Programs section of Long Beach's Draft Element is wholly inadequate because it fails to include specific action steps, measurable outcomes and demonstration of firm commitments to implementation and identification of funding sources. Critical Programs are missing from the Draft Element and the Programs that are included in the Draft Element lack firm commitments and measurable outcomes, thereby committing the City to no real actions.

The Programs section must also be revised to analyze and remove governmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. (CA Gov't Code Sec. 65583(c)(3))

Many of the Programs in the Draft Housing Element contain vague and unenforceable commitments that must be revised to include meaningful, enforceable commitments that will be completed with beneficial impacts during the planning period. Moreover, a number of critically necessary Programs, which were recommended by community stakeholders during public participation, and which are proven solutions, have been completely ignored by the City in the

Draft Element. Therefore, the following Programs must be revised and/or added to the Housing Element:

1. Preservation of at Risk Units (Program 1.1, Draft HE, p. 109-110): The City commits to doing little more than monitor the status of 1,726 units and provide information to tenants. This will not preserve at risk units. This Program should be revised to include meaningful, enforceable commitments with clear timelines for completion.

2. Section 8 (Program 1.2, Draft HE, p. 110-111): The City does not explain how it will encourage property owners to accept Sec. 8, nor does it state how or when the Housing Authority will raise the payment standard. This Program should be revised to include meaningful, enforceable commitments with clear timelines for completion.

3. Right of First Refusal (Program 1.3, Draft HE, p. 111): This proposal to "*explore* local options to extend right of first refusal to lower income households displaced by private development" is both meaningless and ineffective. The City has committed to nothing concrete with the use of the word "explore." Moreover, this proposed program would be wholly ineffective even if it included a stronger commitment/verbage because a right of first refusal (a right to return) is meaningless if it is not coupled with an affordable housing creation policy, such as inclusionary housing (mixed income housing). If a right of first refusal is not coupled with an affordable housing creation policy, it provides no benefit to low income displaced tenants, because low income displaced tenants cannot afford to return to high end, market rate units. This Program must be coupled with a firm commitment to inclusionary housing (or similar program) or it should be stricken from the Draft Housing Element because it is entirely meaningless as proposed.

4. Continuum of Care (Program 2.1, Draft HE, p. 112): The City states that it would like to develop new efficiency units on the land remaining at the Villages of Cabrillo, with half of the units targeted to extremely low income households and the remainder targeted to very low income households, yet this Program does not contain any concrete actions or timelines to ensure that this will actually occur. This Program must be amended accordingly, to add real commitments with a clear timeline for accomplishing those commitments.

5. Housing for Persons with Disabilities (Special Needs Housing) (Program 2.2, Draft HE, p. 113): This Program must be amended to include three missing and critical Programs: (a) a Program to revise the definition of family in the Zoning Code, with a clear timeline for revision, before the Final Element is approved by HCD; (b) a Program to revise the definition of medical office in the Zoning Code, with a clear timeline for revision, before the Final Element is approved by HCD; and (c) a Program to address constraints to the development of housing for persons with disabilities including (i.e., conditional use permits, site plan reviews and NIMBY opposition) before the Final Element is approved.

6. Emergency Shelters (Program 2.2, Draft HE p. 113): Program 2.2 currently states that the "City will *explore* additional opportunities in the City for allowing emergency shelters as its numerous specific plans are updated or as part of regular Zoning Code updates." This sentence is meaningless, as it commits to no concrete actions and gives no timeframes for accomplishing such actions. This Program must be revised to include specific language committing the City to amend its Zoning Code to include zones that are available and appropriate, such as PD 29 or Light Industrial, by the end of 2013. The City has been out of compliance with SB 2 for nearly 4 years now. In light of its continued non-

compliance, HCD must require the City to include a real, enforceable program that must be accomplished in a clear timeline, by December 31, 2013. The City should be given a short timeline for completing this Program because of its long history of non-compliance.

7. SRO Housing (Program 2.2, Draft HE, p. 113): This Program must be revised because SRO housing should not be grouped with Special Group Residence. SRO housing should be permitted in zones where multi-family housing is permitted. This Program must also be revised to provide other pertinent details to ensure that the City does not include other constraints to the development of SRO housing. Clear timelines for these revisions must also be included in this Program.

8. Coastal Zone Housing: The Draft Housing Element should be revised to include a Program to address the deficiencies with the City's Coastal Zone Housing Policies, as explained earlier in this letter. The Element should include a Program to ensure that low and moderate income coastal zone units that are demolished or converted are actually replaced on a one for one basis, as required by the Mello Act. The City acknowledges this one for one replacement requirement, yet it does not have policies in place to actually make this happen. Moreover, the City's replacement housing policies actually act as a constraint to the replacement of housing on a one for one basis. Therefore, a Program should be added to amend the City's Zoning Code to allow developers to satisfy their replacement housing obligations through one of two methods: (a) payment of an in lieu fee that is equal to the cost of actually replacing the total number of units lost, on a one for one basis; or (b) replacement of units through adaptive re-use or new construction. This should be completed by June 2014.

9. Transit Oriented Development: The Draft Housing Element should be revised to include a Program, with clear timelines, to address the need for preservation and creation of affordable housing along transit corridors. This Program should include anti-displacement protections and mixed income housing requirements along transit corridors. Such Programs are critical to offset the negative impacts of gentrification on low income communities of color near transit oriented development. Such Programs would also ensure that low income residents who actually utilize transit are able to take advantage of TOD, thereby reducing GHG and VMT.

10. Comprehensive Code Enforcement (Program 3.3, Draft HE p. 119): The Draft Housing Element acknowledges that code enforcement is a serious problem in Long Beach. 85% of the City's renter housing is more than 30 years old and this housing is also of a lesser quality, in terms of construction. (Draft HE, p. 37). The advanced age of the City's rental housing magnifies the significant need for code enforcement. (Draft HE, p. 38). "According to Code Enforcement staff, an estimated 10,000 housing units in the City require considerable improvements or replacement." (Draft HE p. 38). Despite the need for increased and more effective code enforcement activities, the City fails to include a meaningful program in its Draft Element. The Draft Element merely states that it will "*explore the feasibility*" of a rental escrow account program in 2015. (Draft HE, p. 119-120.) The City has committed to do little more than to briefly think about this in the year 2015. This is not acceptable, as it is not a concrete action that will result in beneficial impacts during the planning period.

    In light of the deteriorated condition of its housing stock, Long Beach must identify cost effective programs in its Housing Element to address the condition of substandard homes. A Rent Trust Account Program (also known as a Rent Escrow Account Program) would

allow tenants residing in substandard homes to pay their rent, or a reduced rent, to the City until their homes are repaired. This Program would be at no cost to the City, it would repair dilapidated units and it would protect tenants from unfair retaliation. Many cities in California have adopted similar programs as a cost effective way to improve the quality of their existing housing stock. Such cities include: Los Angeles, Sacramento, Oakland, Santa Monica, San Francisco and Elk Grove. The Rent Trust Account is a proven and successful program. Long Beach should commit to *adopting an ordinance to implement a Rent Trust Account Program by October 2014*. HCD should direct the City to amend Program 3.3 accordingly. Importantly, a Rent Trust Account would not conflict with the City's Nuisance Abatement program, nor should it be included as part of the Nuisance Abatement Program. These programs serve entirely different purposes. They do not conflict and they should not be combined. Nuisance abatement targets bad actor tenants and it is a very time intensive, lengthy process. A Rent Trust Account Program, on the other hand, targets bad actor landlords and is intended to be a quick and cost effective way to repair substandard units.

11. Adequate Sites (Program 4.2, Draft HE, p. 123): As explained earlier in this letter, the City has not identified adequate sites to accommodate its RHNA numbers. All but 6 of the sites identified have existing uses and the Draft Housing Element lacks sufficient information to make the determination that these non-vacant sites are likely to become available during the planning period. Moreover, the majority of the sites identified are also in the Downtown Plan area, which is a constraint to the development of affordable housing because land costs are so high in this area they are cost prohibitive for affordable housing developers. Therefore, the City must include additional analysis, additional sites and re-zone if necessary.

    On page 124 of the Draft Element, the City indicates that it is "undertaking several major efforts to expand housing opportunities throughout the City. Specifically, the City is updating its Land Use Element and PD-29 (Long Beach Boulevard)." However, it is critical to note that the City does not have *any* plans to include affordable housing in PD-29 or its Land Use Element. PD-29 only includes market rate housing and commercial development. Housing advocates have sought the inclusion of affordable housing requirements in PD-29, but the City has refused to include them. Therefore, the City's statement in the Draft Element that it will "*identify additional opportunities* for housing through updates to the following: Land Use Element and PD-29 by 2014" is literally meaningless, as all the City agrees to do is to identify opportunities, which is not a firm commitment to do anything concrete related to affordable housing. Moreover, the City has told us at community meetings that it will not include affordable housing requirements in PD-29. Therefore, this Program must be revised to include a real, tangible commitments to the development of affordable housing in and around TOD. PD-29, which is TOD, should be required to include anti-displacement protections and affordable housing requirements as well. Clear timelines should be included for each of these commitments.

12. Housing Trust Fund/Affordable Housing Development Assistance (Program 4.4, Draft HE, p. 125): The City's Housing Trust Fund has never included enough money to produce even a single unit of affordable housing, since it was created nearly ten years ago. This has occurred because the City has no dedicated, local revenue sources for affordable housing and because the City continues to include weak and meaningless commitments to funding the Housing Trust Fund in its Housing Element. Program 4.4 in this year's Draft Element is no different, as it provides that the City will "[*c*]*onsider*

researching condominium conversion fees and other fees for *potential* deposit into the HTF." This Program is deficient for a variety of reasons. First, the City does not commit to anything at all. The City merely says it will consider doing some research. Second, there is no timeline given for this vague commitment. Third, condominium conversion fees are not a source of revenue for affordable housing in the current housing market. Condominium conversion fees were a potential source of money in 2008, when the housing bubble was growing, but they would not generate any revenue at the present time. Therefore, this entire Program reflects the City's failure to implement any policies that would actually assist in the creation of local funding sources for affordable housing. The City should revise the Programs Section of the Element to include actual commitments to proven policies to assist in the creation of affordable housing for Long Beach residents. The following policies are examples of Programs that the City should include in its Housing Element:

a. Boomerang Funds

The City needs to commit local sources of funding for affordable housing to meet the housing needs of its residents. A great opportunity has presented itself with monies returning to the City from the demise of redevelopment. These funds have been named "Boomerang funds." At least 20% of the City's Boomerang funds came from the Long Beach Housing Development Company's (LBHDC) budget (from the 20% redevelopment affordable housing set aside) and they should therefore be returned to LBHDC as they come back to the City.

In 2013, Long Beach will receive $31 million in Boomerang funds from the State. 20% of this money, or $6.2 million, stems from the State's raid of LBHDC's revenues, which were utilized for affordable housing development. Therefore, Long Beach should commit at least 20% of its Boomerang funds, this year and in years to come, to the LBHDC for the development of affordable housing. Other cities and counties across the State, including the City and County of Los Angeles, have committed at least 20% of their Boomerang funds towards the development of housing. Long Beach should join their ranks.

Examples of cities and counties in California that have already dedicated Boomerang funds for affordable housing include:

1. *Santa Clara County*
   As part of its budget adoption process, Santa Clara County's Board of Supervisors voted unanimously to dedicate 20% of Boomerang Funds, *on an on-going basis*, for affordable housing. This is in addition to other one time funds ($706,000) that the Board just dedicated to affordable housing.

2. *San Mateo County*
   San Mateo County's Board of Supervisors voted unanimously to dedicate 100% of its Boomerang Funds ($13.4 million) for affordable housing.

3. *City of Los Angeles*
   The City of L.A. voted to dedicate 20% of its Boomerang Funds ($9.4 million) for affordable housing.

4. *County of Los Angeles*
   LA County's Board of Supervisors voted unanimously to dedicate 20% of its Boomerang Funds ($15 million) for affordable housing. The County is also allocating $101 million in three tranches ($11 million issued by a NOFA in late 2012; $15 million allocated in a spring 2013 NOFA; and a commitment for a 2014 NOFA made during its 2013/14 budget deliberations. The 2013/14 budget also has $45 million for NOFAs in the following three years.)

Other cities that have dedicated Boomerang funds for affordable housing include: Freemont (100% of last year's Boomerang funds and 20% of ongoing Boomerang funds for affordable housing); Redwood City, Foster City ($3 million); and San Francisco City and County.

Long Beach should commit in its 2014 budget process, which is currently taking place, to commit at least 20% or $6.2 million in Boomerang funds, to the development of affordable housing for lower income residents. Moreover, Long Beach should include a Program in its Housing Element to dedicate at least 20% of its Boomerang funds, on an ongoing basis, to the production of affordable housing for Long Beach residents. This would create a desperately needed funding stream for affordable housing in the City.

b. Commercial linkage Fees

The City should include a Program to adopt a commercial linkage fee ordinance by October 2014, to support a housing/jobs balance in the City. With a commercial linkage fee, developers of new commercial developments are charged a fee per square foot of new development. These fees are then used to create new housing targeted to the income levels of those who would work in the new developments. Such fees, therefore, create a balance between housing and jobs. There are at least 23 jurisdictions in California that have adopted commercial linkage fees to support the development of affordable housing. They include: Alameda County; City of Berkeley; City of Corte Madera; City of Cupertino; City of Livermore; Marin County; City of Menlo Park; City of Mountain View; Napa County; City of Oakland; City of Palo Alto; City of Petaluma; City of Pleasanton; City of Sacramento; Sacramento County; City of Milpitas; City of San Diego; City/County of San Francisco; City of Santa Monica; City of Sunnyvale; Sonoma County; City of Walnut Creek; and City of West Hollywood. (*See* Institute for Local Government, Affordable Housing Trusts In California: Classifications and Best Practices, Oct. 15, 2005, p. 2.)

David Paul Rosen & Associates (DRA) has been retained by a coalition of organizations in the City of Long Beach, who seek the adoption of citywide housing policies to provide dedicated sources of local revenue for affordable housing production. DRA will conduct an analysis of the potential economic impacts of citywide inclusionary housing requirements and a commercial development linkage fee on residential and non-

residential development in the City. The study is funded by a coalition of organizations active in the City of Long Beach that support adoption of a citywide inclusionary housing policy and affordable housing nexus fees, including: Building Healthy Communities, Long Beach; The California Endowment; St. Mary's Hospital; and Mental Health America: Los Angeles. DRA will prepare a land residual economic analysis to quantify the effect of potential affordable housing requirements and/or fees on a series of development prototypes selected to represent a range of developments appropriate in different neighborhood contexts across the City. These prototypes are informed by actual development projects proposed in the City, some of which have been built and others that have not, as documented on the City's Development Services website and recent site plan approval of projects in the City. The analysis will demonstrate to the City the extent to which new residential and commercial development can feasibly contribute to the funding of affordable housing production in Long Beach. The Study will be completed in early September 2013, in time for consideration of housing policies in the Housing Element by both the Planning Commission and City Council.

Therefore, the City should add a Program to its Housing Element that commits to adopting a commercial linkage fee, based on DRA's recommendations, by October 2014.

c. Mixed Income Housing

The City should adopt a mixed income housing ordinance, which would require developers of new apartment and condominium developments to include a percent of units (typically 10-15%) as affordable to low and moderate income households. There are 170 jurisdictions in California with mixed income housing ordinances.[12] Such ordinances create equitable distribution of affordable housing and prevent the concentration of affordable units in one area.[13]

David Paul Rosen & Associates (DRA) has been retained by a coalition of organizations in the City of Long Beach, who seek the adoption of citywide housing policies to provide dedicated sources of local revenue for affordable housing production. DRA will conduct an analysis of the potential economic impacts of citywide inclusionary housing requirements and a commercial development linkage fee on residential and non-residential development in the City. The study is funded by a coalition of organizations active in the City of Long Beach that support adoption of a citywide inclusionary housing policy and affordable housing nexus fees, including: Building Healthy Communities, Long Beach; The California Endowment; St. Mary's Hospital; and Mental Health America: Los Angeles. DRA will prepare a land residual economic analysis to quantify the effect of potential affordable housing requirements and/or fees on a series of development prototypes selected to represent a range of developments appropriate in different neighborhood contexts across the City. These prototypes are informed by actual development projects proposed in the City, some of which have been built and others that have not, as documented on the City's Development Services website and recent site plan approval of projects in the City. The analysis will demonstrate to the City the extent to

[12] *See Affordable Housing by Choice: Trends in California Inclusionary Housing Programs,* Non-Profit Housing Association of California, 2007, p. 5 (Available at http://www.nonprofithousing.org/pdf_attachments/IHIReport.pdf).

[13] Inclusionary housing requirements are permissible if the City's policy provides that new rental developments are entitled to incentives if they include a percent of affordable rental units. (*See Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* (2009) 175 Cal. App. 4th 1396 (*Palmer*).) Moreover, AB 1229 (Atkins), which has passed the Assembly and is currently in the Senate clarifies that there are not restrictions on a jurisdiction's ability to apply inclusionary housing requirements to a new rental development.

which new residential and commercial development can feasibly contribute to the funding of affordable housing production in Long Beach. The Study will be completed in early September 2013, in time for consideration of housing policies in the Housing Element by both the Planning Commission and City Council.

Therefore, the City should include a Program in its Housing Element to adopt an inclusionary housing (mixed income housing) ordinance, based on DRA's recommendations, by October 2014.

These housing production programs (i.e., local dedicated sources of revenue and mixed income housing) are critical for a City such as Long Beach, which has no dedicated source of funding for affordable housing and which has a long history of failing to come anywhere near reaching its affordable RHNA numbers. *In the last year, the City did not produce a single unit of affordable housing.* In fact, in the City's 2012 Housing Element Annual Report, which was submitted to HCD earlier this year, the City stated that "the dissolution of the Redevelopment Agency has had, and will continue to have, a significant impact on total unit production, especially income-restricted units. For example, last year the City reported 14-income restricted housing units.... [F]or this reporting period, the number dropped to 0." The City's lack of funding for affordable housing, coupled with no local rent control laws and our old dilapidated housing stock, creates the perfect storm for the City's low income renters. The City's low income residents of color are additionally faced with the impacts of severe segregation in the City.

The City must produce a total of 4,009 affordable units in the next planning period to meet the housing needs of its low and moderate income residents. When you consider that it costs approximately $300,000 to produce one unit of affordable housing, it becomes abundantly clear that the City must find ways to supplement its housing budget to meet the housing needs of its low income residents. Therefore, the City must commit local, dedicated revenue sources for affordable housing. The City should revise the Programs Section of the Housing Element to include the housing production programs such as those described above, to facilitate the production of affordable housing for its residents, with clear timelines to ensure beneficial impacts during the planning period.

At a recent Planning Commission Study Session regarding the Draft Housing Element, held on June 20, 2013, some Planning Commissioners expressed interest in forming a taskforce to look into the housing production solutions described above. While a taskforce might sound appealing at first glance, it is not a prudent path in the context of the Housing Element. Long Beach has been "exploring," "considering" and "researching" housing production solutions (i.e., inclusionary housing and linkage fees) for over a decade now. We have numerous studies that have been completed in years past to study these solutions and another one underway by DRA. Long Beach must commit in its Housing Element to actually <u>*adopt*</u> policies that will have beneficial impacts during the Housing Element planning period. A taskforce will not necessarily result in beneficial impacts. Accordingly, we therefore urge HCD and the City to make real, enforceable, tangible commitments in the Housing Element that will result in the actual adoption of policies that will improve the lives of Long Beach residents.

Thank you for your consideration of our comments. Please feel free to contact me if you have any questions. I can be reached via email at sbrowne@lafla.org or via telephone at (562) 304-2520.

Sincerely,

Susanne Browne
Senior Attorney

cc: Mayor Bob Foster
Vice Mayor Robert Garcia
Council Member Suja Lowenthal
Council Member Gary DeLong
Council Member Patrick O'Donnell
Council Member Gerrie Schipske
Council Member Dee Andrews
Council Member James Johnson
Council Member Al Austin
Council Member Steve Neal
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