

# AFFORDABLE AND WORKFORCE HOUSING STUDY SESSION

February 21, 2017



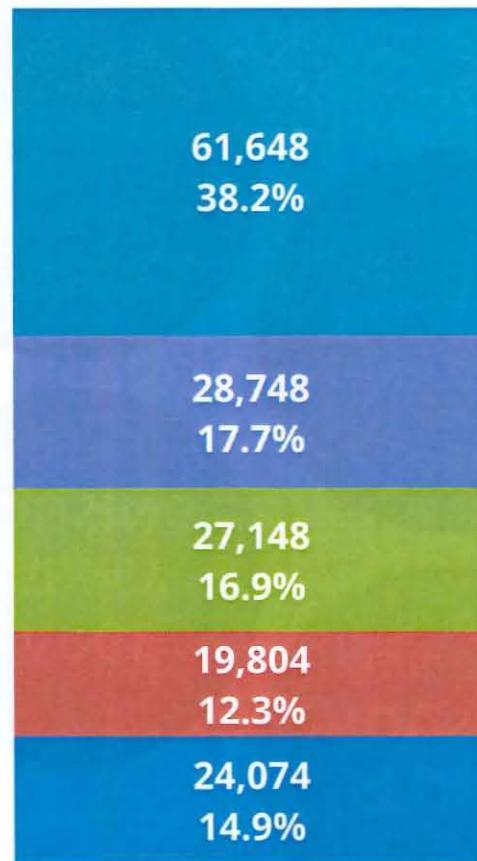
## GUIDING QUESTIONS

- **How will we adequately invest in our city's affordable housing infrastructure?**
- **What new revenue source will we dedicate to adequately meet our city's critical housing needs?**
- **What policies can be implemented to stimulate housing development?**

# WHAT IS AFFORDABLE HOUSING?



# HOUSING NEEDS



*Area Median Income (AMI) - \$52,783/year*

## HOUSING ISSUES

- Low Paying Jobs and Poverty
- Rising Housing Costs
- Housing Cost Burden
- Reduction in State and Federal Affordable Housing Resources

# RISING HOUSING COSTS

Median Rent, 1-BR and 2-BR Units, 2012-2016

\$3,000.00

\$2,500.00

\$2,000.00

\$1,500.00

\$1,000.00

\$500.00

Jan-12 Apr-12 Jul-12 Oct-12 Jan-13 Apr-13 Jul-13 Oct-13 Jan-14 Apr-14 Jul-14 Oct-14 Jan-15 Apr-15 Jul-15 Oct-15 Jan-16 Apr-16 Jul-16 Oct-16

2BR - L.A. County (+50.6%)

1BR - L.A. County (+42.9%)

2BR - Long Beach (+40.7%)

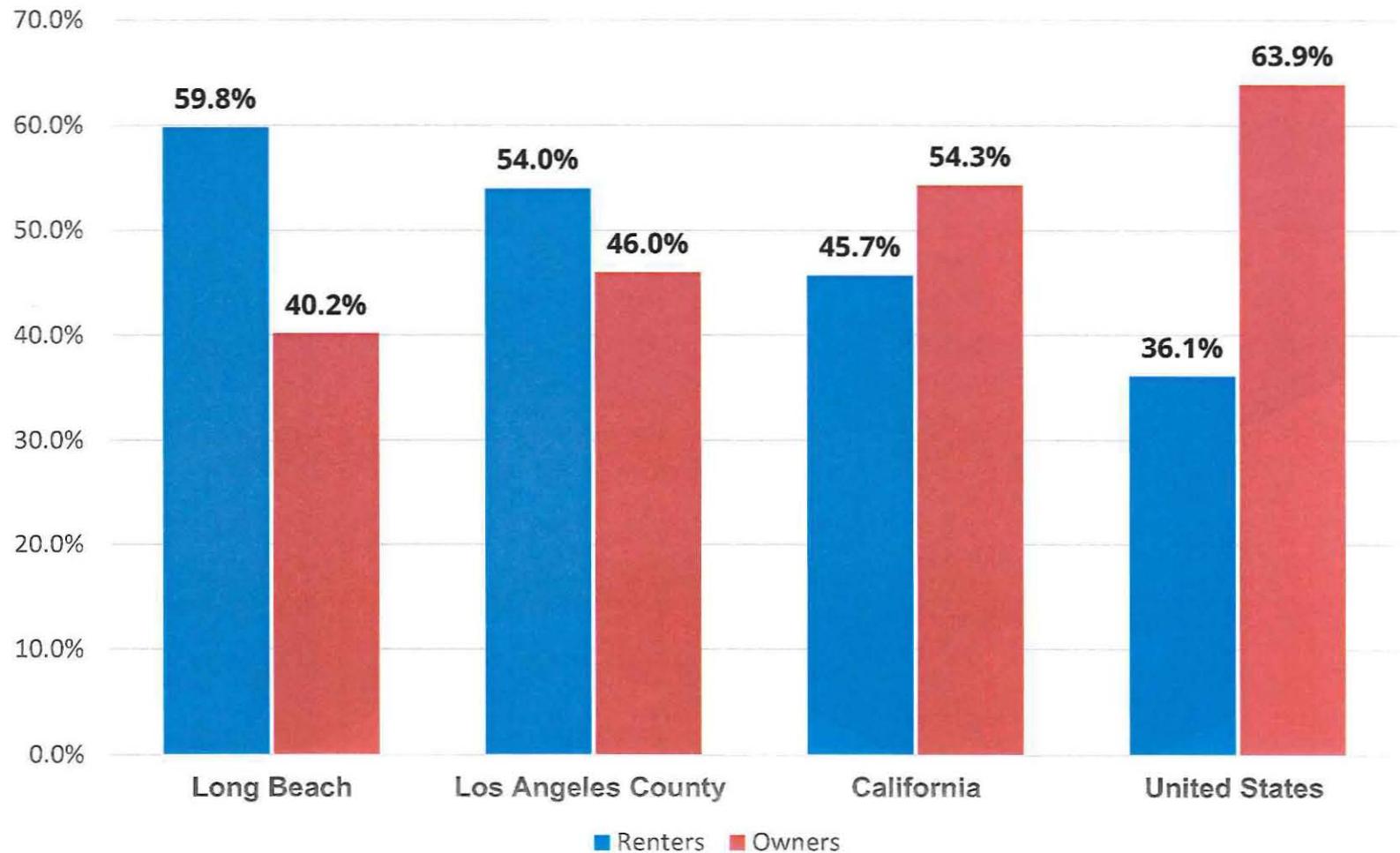
1BR - Long Beach (+25.9%)

Source: Zillow Research Data

CITY OF  
**LONG BEACH**

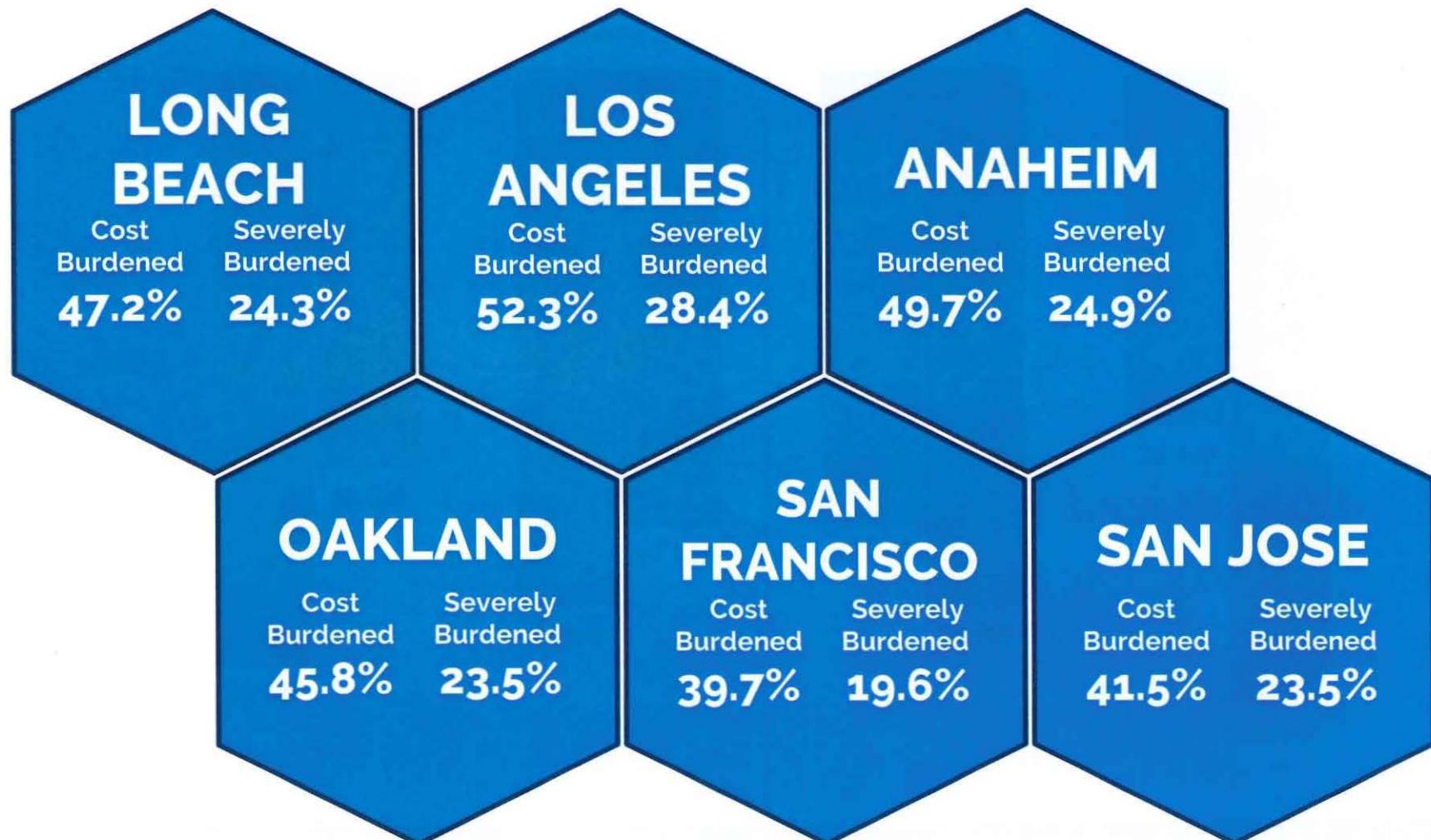
6 The Long Beach  
**COMMUNITY**  
INVESTMENT Company

# RENTAL/OWNERSHIP RATE



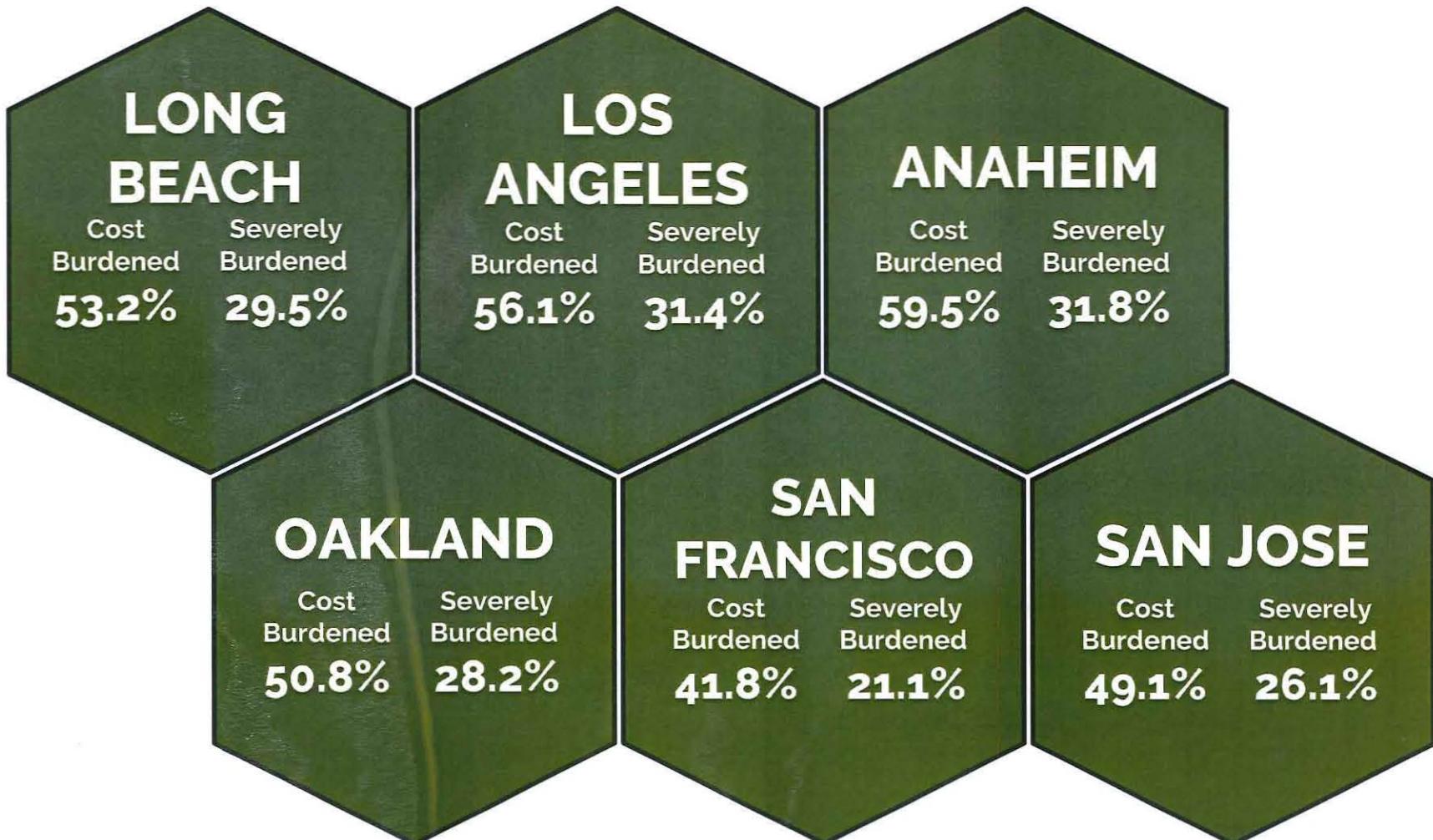
Source: American Community Survey, 2011-2015

## HOUSING COST BURDEN – ALL HOUSEHOLDS



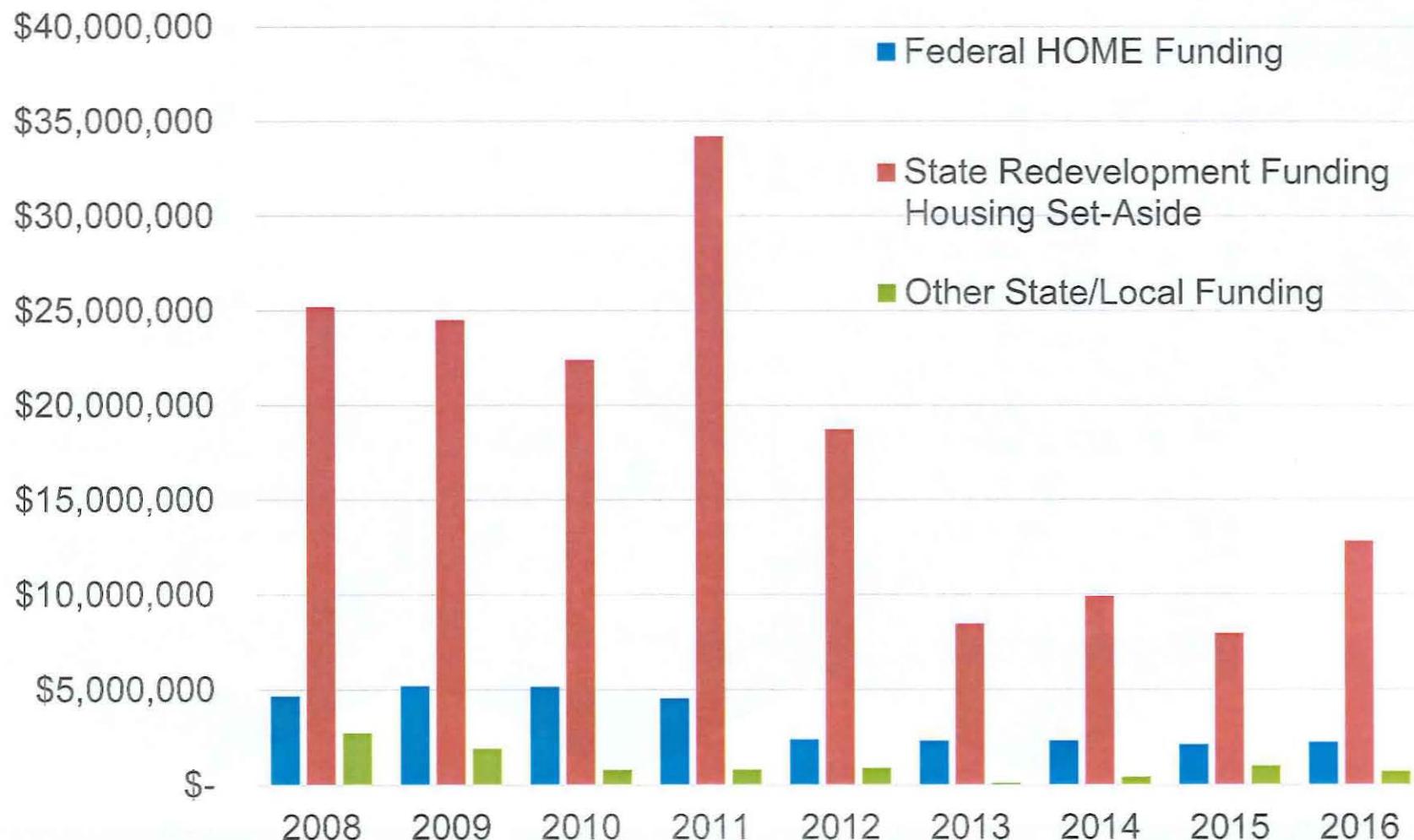
Source: HUD Comprehensive Affordable Housing Strategy Data, 2009-2013

## HOUSING COST BURDEN – RENTER HOUSEHOLDS

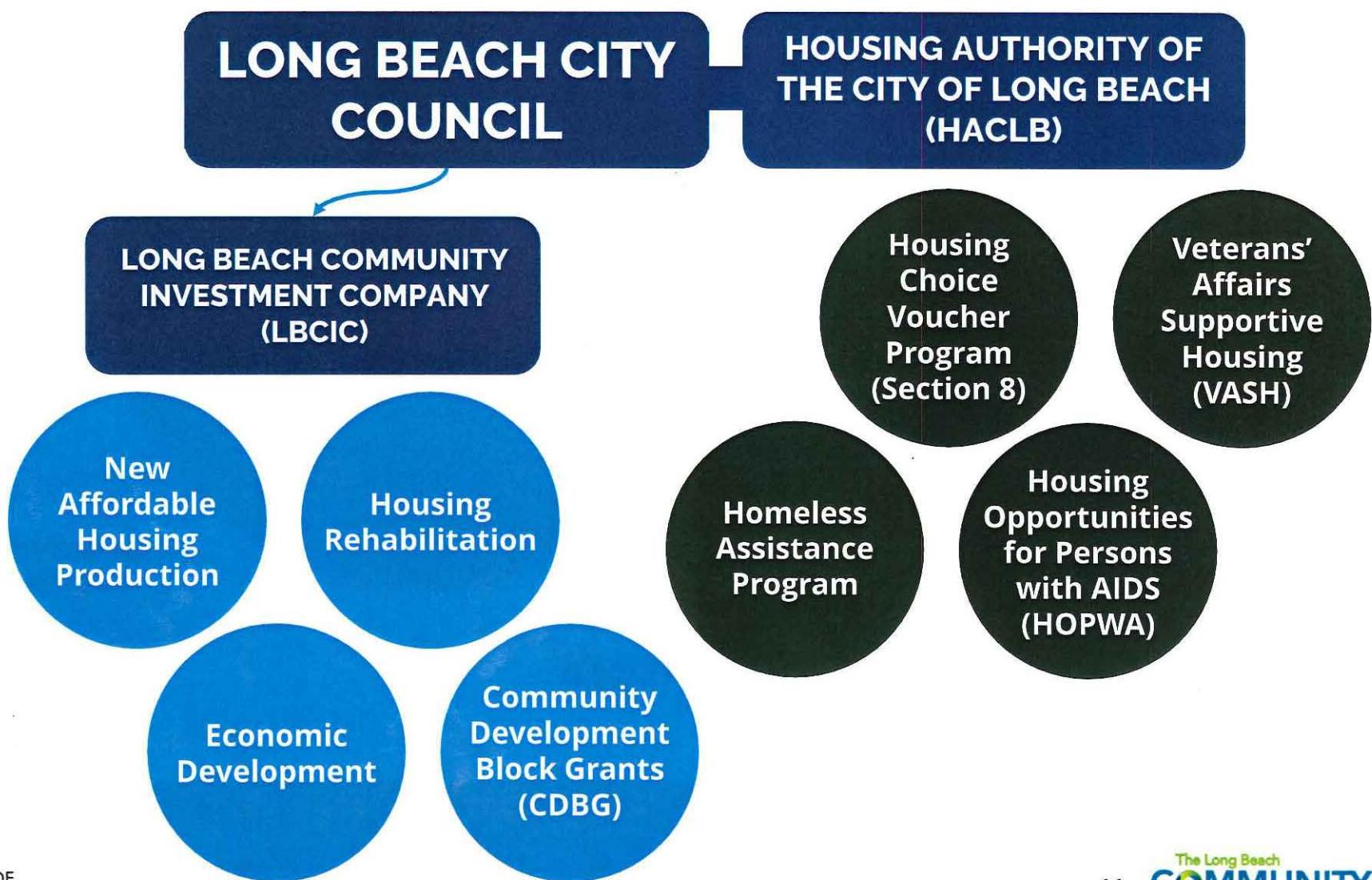


Source: HUD Comprehensive Affordable Housing Strategy Data, 2009-2013

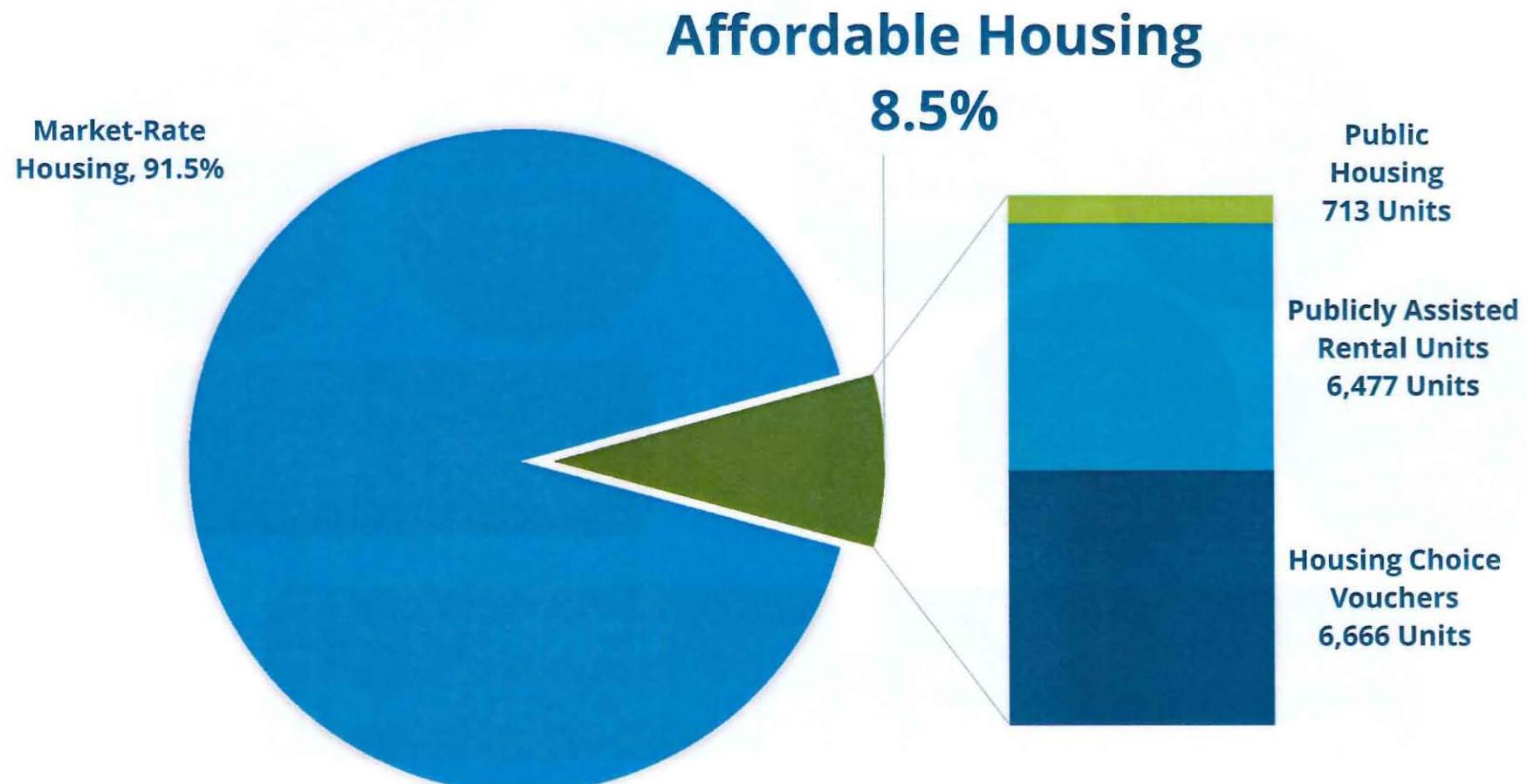
# REDUCTION IN FEDERAL AND STATE FUNDING FOR AFFORDABLE HOUSING PRODUCTION



# HOUSING PROGRAMS



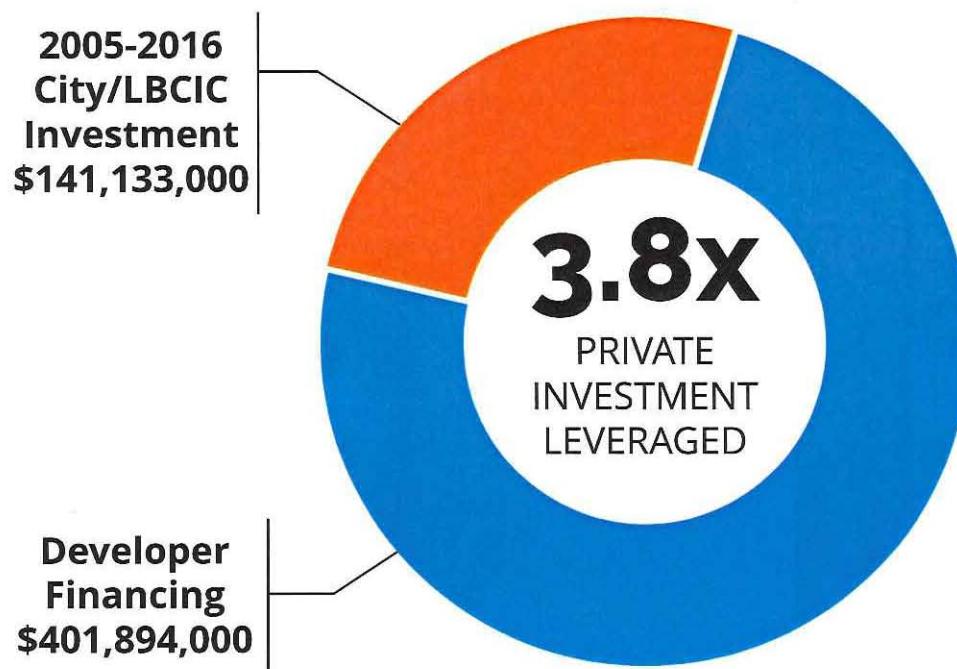
# EXISTING AFFORDABLE HOUSING UNITS



## LBCIC PROGRESS: 2006-2016

# \$543,027,000

Invested in new Affordable Housing, 2006-2016



- **1,778** Units of New Affordable Housing Produced
- **2,093** Units of Affordable Housing Preserved
- **367** Units Rehabilitated and Newly Restricted
- **335** First-Time Homebuyers Assisted
- **4,573 TOTAL HOUSEHOLDS ASSISTED**



gallery421 – New Construction (26 units)

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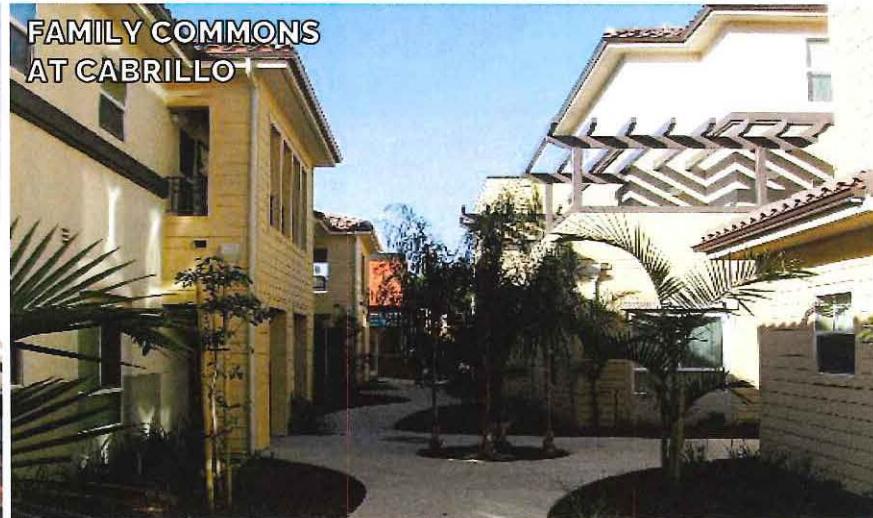
# COMPLETED PROJECTS

# FAMILY RENTAL HOUSING

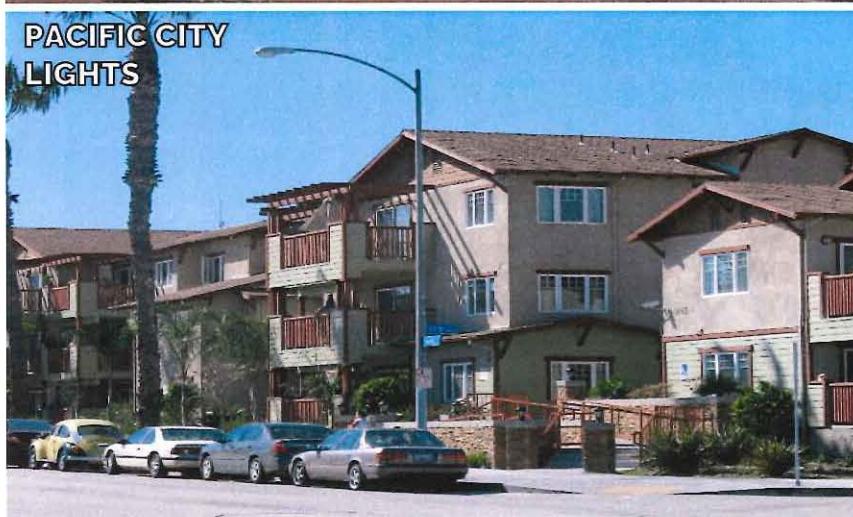
LONG BEACH &  
BURNETT  
APARTMENTS



FAMILY COMMONS  
AT CABRILLO



PACIFIC CITY  
LIGHTS



PUERTO DEL SOL



# FAMILY RENTAL HOUSING

DECRO - SCATTERED SITES  
REHABILITATION



BELWOOD ARMS  
APARTMENTS



COLLAGE  
APARTMENTS



EVERGREEN  
APARTMENTS



# SENIOR & OWNERSHIP HOUSING

RAMONA PARK  
APARTMENTS



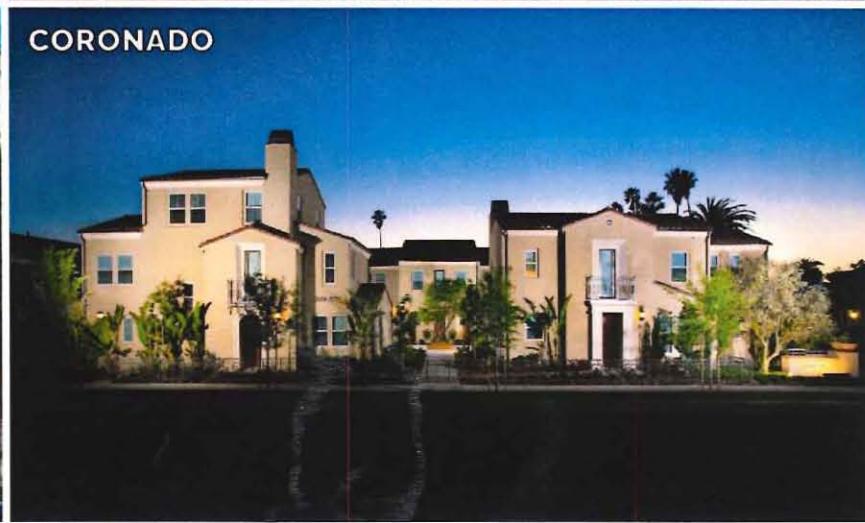
SENIOR ARTS  
COLONY



OLIVE COURT



CORONADO



# SPECIAL NEEDS HOUSING

CABRILLO GATEWAY



THE PALACE HOTEL

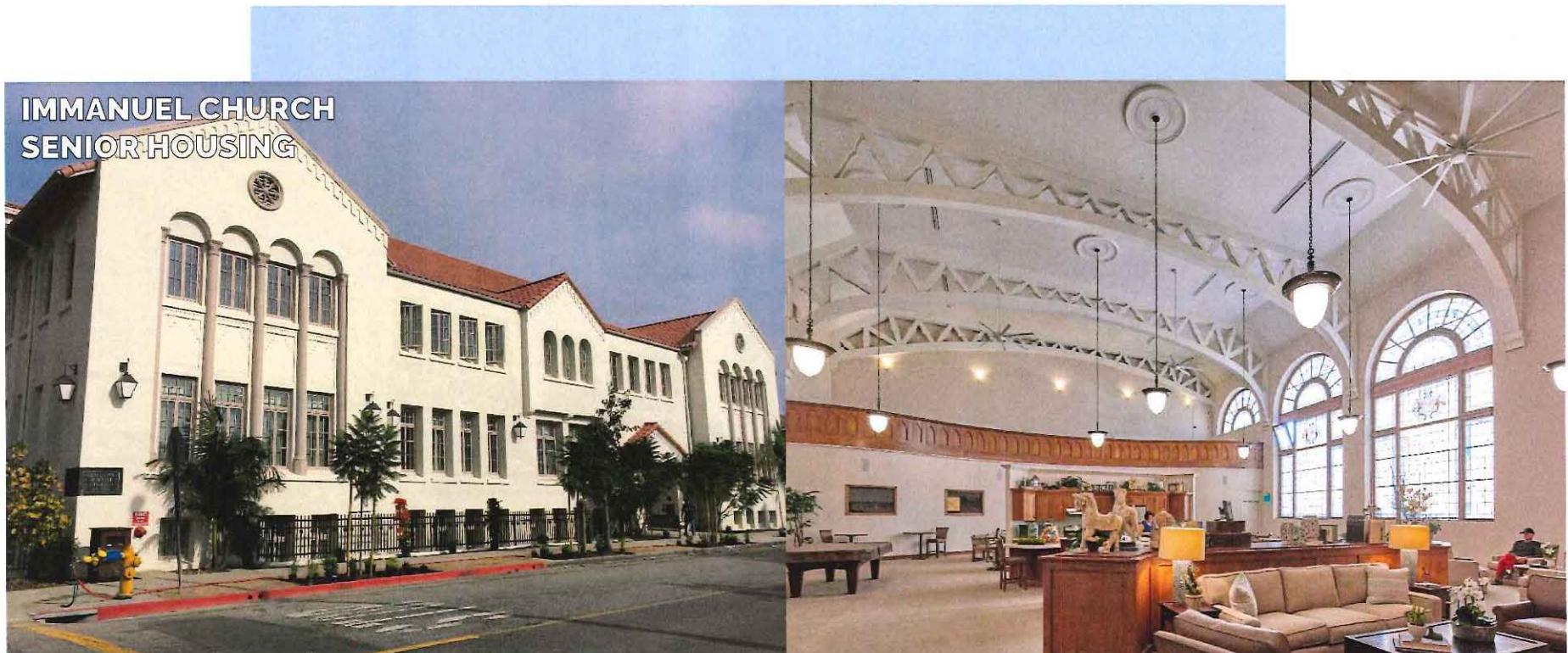


LONG BEACH & 21<sup>ST</sup> APARTMENTS



# ADAPTIVE REUSE

IMMANUEL CHURCH  
SENIOR HOUSING





Anchor Place - New Construction, Veterans and Family Rental  
(120 Units)

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# PROJECTS UNDERWAY & APPROVED

# APPROVED AND PENDING PROJECTS

	PROJECT	TYPE	UNITS
UNDER CONSTRUCTION OR NEARING CONSTRUCTION	Anchor Place	Homeless, Family, Veteran	119
PROPOSED OR IN PLANNING PHASE (THRU 2019)	Daisy (4) and Banner (8)	Developmentally Disabled	12
Beachwood Apartments (Rehabilitation)		Disabled	46
The Beacon		Senior, Homeless Veteran	160
		<b>SUBTOTAL</b>	<b>337</b>
1950-60 Henderson Henderson RFP		Family	4
Pacific/14th RFP		Family	11
1836 Locust RFP		Family, Special Needs	65
Housing NOFA 2016 – 1795 Long Beach Boulevard		Family, Special Needs	100
1900 Long Beach Blvd. RFP		Family, Special Needs	95
		<b>SUBTOTAL</b>	<b>275</b>
	<b>TOTAL UNITS IN PROCESS</b>		<b>612</b>

# ANCHOR PLACE



## New Construction – Veterans and Family Rental

### Developer

Century Villages at Cabrillo

### Total LBCIC Financial Assistance

\$4.0 Million

### Total Development Cost

\$42.5 Million

### Unit Mix

1-Bedroom: 95

2-Bedroom: 20

3-Bedroom: 5

Total: 120

### Affordability

Very Low: 111

Moderate: 8

Manager: 1

# THE BEACON



## New Construction – Senior and Veterans Rental

### Developer

Century Housing

### Total LBCIC Financial Assistance

\$12.3 Million

### Total Development Cost

\$80.4 Million

### Unit Mix

#### *Beacon Pointe*

121 Units

1-Bedroom: 110

2-Bedroom: 11

#### *Beacon Place*

39 Units

1-Bedroom: 30

2-Bedroom: 9

### Affordability

Extremely Low: 26

Very Low: 72

Low: 60

Manager: 2

# BEACHWOOD APARTMENTS



## Preservation – Special Needs (Disabled)

### Developer

Century Affordable Development, Inc.

### Total LBCIC Financial Assistance

\$2.1 Million

### Total Acquisition Cost

\$8.8 Million

### Unit Mix

45 Units

1-Bedroom: 32

2-Bedroom: 13

### Affordability

Very Low: 6

Low: 38

Manager: 1

# HABITAT FOR HUMANITY - HENDERSON

## New Construction – Ownership

Developer

Habitat for Humanity of Greater Los Angeles

Total LBCIC Financial Assistance

\$382,000

Total Development Cost

\$1,514,027

Unit Mix

4 Single-Family, 3-Bedroom Homes

Affordability

Low: 4



# PACIFIC APARTMENTS – 1795 LONG BEACH BLVD

## New Construction – Family & Special Needs Rental

### Developer

AMCAL

### Total LBCIC Financial Assistance

\$3.5 Million

### Total Development Cost

\$42.2 Million

### Unit Mix

101 Units

1-Bedroom: 61

2-Bedroom: 156

3-Bedroom: 25

### Affordability

Extremely Low: 18

Very Low: 32

Low: 50



# THE SPARK AT MIDTOWN



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## New Construction – Family & Homeless Rental

### Developer

LINC Housing

### Total LBCIC Financial Assistance

\$3 Million

### Total Development Cost

\$41.4 Million

### Unit Mix

95 Units

1-Bedroom: 47

2-Bedroom: 23

3-Bedroom: 25

### Affordability

Extremely Low: 66

Very Low: 10

Low: 18

Manager: 1

# EXISTING FUNDING FOR AFFORDABLE HOUSING

HOUSING RESOURCES	
REVENUES	AMOUNT
SERAFF (repaid)	\$ 8,848,132
Downtown Deferred Set-Aside (repaid)	\$ 15,873,758
Other Loan Repayments, Interest, etc.	\$ 9,449,739
City/Agency Debt (20% to Housing Fund) Received	\$ 898,683
<b>SUBTOTAL (fund balance as of 9/30/16)</b>	<b>\$ 35,070,312</b>
City/Agency Debt receivable (FY-17 to FY-20)	\$ 6,028,373
<b>TOTAL HOUSING ASSET FUNDS</b>	<b>\$ 41,098,685</b>
<b>PENDING COMMITMENTS</b>	<b>\$ 26,782,000</b>
<b>NET AVAILABLE HOUSING ASSET FUND RESOURCES</b>	<b>\$ 14,316,685</b>
HOME Funds (FY-17)	\$ 3,200,000
Housing Choice Voucher Program (FY-17)	\$ 69,221,942
<b>TOTAL AVAILABLE FUNDING</b>	<b>\$ 86,738,627</b>

## EXISTING INCENTIVES – FEE WAIVERS

### DEVELOPER IMPACT FEE WAIVERS

The City provides Developer Impact Fee Waivers to encourage the development of affordable housing. Recent examples include:

- Cabrillo Gateway (Villages at Cabrillo): \$448,000
- Anchor Place (Villages at Cabrillo): \$666,700
- The Beacon (Long Beach Blvd. & Anaheim): \$890,850

## EXISTING INCENTIVES – DENSITY BONUS

### **DENSITY BONUS**

Long Beach has adopted the State density bonus law to provide up to a 35% density bonus to facilitate the development of lower income housing, moderate-income condominiums, and housing for seniors. Bonuses include:

- Increased Density
- Reduced Parking
- Relaxed Development Standards

## EXISTING INCENTIVES – AB 744

### ASSEMBLY BILL 744 (CHAU)

Assembly Bill 744 allows developers who are requesting a density bonus and including 100% affordable units to also request that the City reduce the minimum parking requirements for a development. Eligible within ½-mile of a transit stop:

- Seniors-only development with transit access
- Special needs

# STUDY GROUP INPUT & COMMUNITY PARTICIPATION



2/16 THROUGH 2/17  
HOUSING STUDY  
GROUP MEETINGS

9/24/16  
HOUSING  
RESOURCE  
FAIR &  
COMMUNITY  
FORUM

2/21/17  
AFFORDABLE/  
WORKFORCE  
HOUSING  
STUDY  
SESSION

9/19/16  
MAYOR'S  
ROUNDTABLE  
WITH HOUSING  
ADVOCATES

10/14/16  
MAYOR'S  
ROUNDTABLE WITH  
HOUSING  
DEVELOPERS

AFFORDABLE  
HOUSING POLICY  
RECOMMENDATIONS

# PUBLIC COMMENT ISSUES

- General support for the need and development of more affordable housing.
- Concerns about overall rising rents and the cost of housing in Long Beach.
- Lack of affordable, quality housing for workers and families.
- Lack of amenities and basic needs near affordable housing developments.
- A need to balance affordable housing with new commercial and market rate housing development.
- Lack of suitable land and a development process that takes too long.
- A desire for mixed-income housing, and housing for people with moderate incomes.
- Allowing and encouraging innovative housing types to address population needs, including micro-units, intergenerational housing, and transit-oriented development.

# HOUSING STUDY GROUP

- The Housing Study Group suggested a three-pronged approach:
  - 1. Plan and Prioritize**
  - 2. Protect and Preserve**
  - 3. Produce and Promote**
- Additional data needs to be collected to bridge stakeholder interests and inform initial conversations around new housing policies.

# STRATEGY #1: PLAN AND PRIORITIZE

## Case making

- With a combination of data and story, build the “case” and “shared vision” for investing in tools and resources that create high quality affordable housing in Long Beach.
- Celebrate Long Beach’s successes as it relates to affordable housing. Coalesce and mobilize community support around the “case.”

## Synthesize

- Synthesize the City’s Housing Action Plan, Housing Element, other relevant City planning documents, and Affordable Housing Study Group Policy Recommendations into unified, coherent “plan” or roadmap for affordable and workforce housing that enjoys broad community support.
- Consider the plans and priorities of other public agency stakeholders such as the County of Los Angeles and State of California.

# STRATEGY #1: PLAN AND PRIORITIZE

## Systematize

- Ensure that the plan is the centerpiece of a Community Investment System that establishes priorities, contemplates a pipeline of opportunities, and promotes the adoption of enabling conditions.
- Maintain a database of opportunities involving publicly held land (i.e., current City owned parcels, Metro owned lots, underutilized publicly owned lots).

## Accountability and Impact

- Commit to the Community Investment System and Collective Impact methodologies by adopting policies and goals that are “SMART” (Strategic, Measurable, Actionable, Relevant, and Time-Bound).
- Establish an “interdepartmental” backbone role which features a mechanism for community feedback and public accountability to ensure plan implementation.
- Pursue foundation funding to fund this backbone role.

## STRATEGY #2: PROTECT AND PRESERVE

- Consider a policy to limit condo conversions when vacancy rates drop below a certain percentage.
- One-for-one replacement of all housing lost to redevelopment.
- Preserve stock of existing affordable housing within the community.

## STRATEGY #3: PRODUCE AND PROMOTE

- Through voter approval of a local bond measure, establish a “one time” source of capitalizing the City’s Housing Trust Fund. Bond proceeds would be invested over a finite time period (i.e., 10 years) in projects that meet specific local priorities and needs.
- Encourage mixed income housing through adoption of an inclusionary housing policy and establishment of incentives for developers. Subsidize or mandate mixed income housing through inclusionary zoning program, or payment of adequate “in lieu” fees.
- Address zoning and regulatory impediments that serve as barriers to the creation of affordable housing. One successful example is the adoption of specific plans (ie, community plans) that feature master EIRs which provide regulatory relief, greater environmental certainty, and more rapid entitlements.

## STRATEGY #3: PRODUCE AND PROMOTE

- Continue to partner with developers and other community stakeholders in the pursuit of grant funding and other third party resources such as Metro resources, State AHSC funding, County resources, and other Federal grant/loan programs.
- Encourage the project-basing of Section 8 vouchers for supportive housing developments.
- Adopt ordinance that paves the way for the development of accessory dwelling units.
- Address the housing needs of college students through promotion of student housing on university controlled or university adjacent land.

## STRATEGY #3: PRODUCE AND PROMOTE

- Communicate the City's State and local legislative priorities as it relates to affordable housing. Promote the engagement of interested City stakeholders in an effort to maximize the flow of external resources into the City.
- Pass local Article 34 referendum to ensure maximum leveraging of State resources on local affordable housing developments.
- Explore the feasibility and mechanics of using new structures such as the enhanced infrastructure financing district (EIFD) tool to capitalize the Housing Trust Fund with new resources for the creation of affordable housing.
- Provide necessary City staffing resources to effectively manage the growth of affordable housing contemplated by this set of policy recommendations.

## OTHER STAFF RECOMMENDATIONS

- Modify moderate-income definition from 80-120% of AMI to 80-150%.
- Support CEQA reform.
- Reduce parking requirements.

## NEXT STEPS

- Refine Housing Report to Include Feedback from February 21, 2017 Study Session.
- Conduct Additional Research as Necessary.
- Finalize Housing Report.
- Present Final Housing Report to City Council with Housing Policy Recommendations.