



**City of Long Beach**

*Working Together to Serve*

**Memorandum**

Date: October 23, 2017

To: Patrick H. West, City Manager *T.H.W.*

From: Amy J. Bodek, Director of Development Services *A. Bodek*

For: Mayor and Members of the City Council

Subject: **Update on Housing Report Policy Items**

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On May 2, 2017, the City Council adopted 29 policy recommendations designed to encourage and/or increase the production of affordable housing. The following is an update on the implementation of those policies:

- 1.1 Encourage Housing Preservation: These efforts are ongoing. In FY 17, staff assisted with the preservation of Beachwood Apartments (45 units). In FY 18, staff will complete the preservation of Sara's Apartments (29 units), which is currently owned by Mental Health America, and will be sold to Throckmorton Partners (subject to City Council approval).
- 1.2 Encourage the Use of Project Based Vouchers (PBVs): These efforts are ongoing. In FY 17, PBVs were awarded to The Beacon (160 units/158 PBVs), which is currently under construction, and the following proposed projects: The Spark at Midtown (95 units/40 PBVs), 1900 Long Beach Boulevard (LINC); Las Ventanas Apartments (101 units/40 PBVs), 1795 Long Beach Blvd. (AMCAL). Staff is currently coordinating with Housing Authority staff to release another RFP for PBVs by the end of 2017.
- 1.3 Continue to Waive Developer Impact Fees for Affordable Housing: These efforts are ongoing. Anchor Place (120 units), which was recently completed, received a fee waiver of \$672,000.
- 1.4 Promote the City's Density Bonus Program to all Multi-Family Housing Developers: Planning staff regularly promotes this program to developers. In addition, staff has had initial discussions with Economic Development about staff promoting the program as they meet with developers.
- 1.5 Continue to Partner with Developers in the Pursuit of Housing Funding: These efforts are ongoing. In FY 17, staff assisted with funding applications for The Beacon. Staff is currently working with Enterprise Community Partners, AMCAL, and LINC to prepare for the January 2018 Affordable Housing and Sustainable Communities Program application. In FY 18, staff will be assisting with funding applications for projects proposed by AMCAL (1795 LB Blvd. – 101 units), Clifford Beers Housing (1836 Locust – 48 units), and LINC (1900 LB Blvd. – 95 units). Staff also sits on Metro's Metro Affordable Transit Connected Housing Program (MATCH) Advisory Committee. MATCH provides funding for the preservation and production of affordable housing near transit.

- 1.6 Explore the Potential Development of Student and Workforce Housing: Economic Development staff is coordinating these efforts as they meet with developers.
- 1.7 Track Federal and State Housing Legislation: These efforts are ongoing, and are coordinated through the City Manager's Office. In FY 17, support was provided for preserving funding for the Federal CDBG and HOME Programs, and for several state bills that were recently adopted by the Legislature.
- 1.8 Support CEQA Reform: This will be done through the City Manager's Office as part of the City's Legislative Agenda process.
- 1.9 Create and Maintain a Database of Publicly Held Land That May Provide for Housing Opportunities: Economic Development staff is currently preparing a comprehensive list of potential development sites throughout the City, including government-owned and privately-held sites.
- 2.1 Accessory Dwelling Unit Ordinance: A zoning code amendment was approved by the Planning Commission on July 6, 2017, and the item will be presented to the City Council on November 14, 2017 (continued from October 10, 2017).
- 2.2 Implement State Requirements for Reduced Parking for Affordable Housing: Staff is implementing the State requirement. All of the proposed affordable housing projects that are in process have received parking reductions.
- 2.3 Conduct a Financial Analysis and Nexus Study to Update the Coastal Zone In-Lieu Fee: The analysis and nexus study are complete. Staff will begin working with the City Attorney's Office to modify the existing Ordinance in October 2017. Staff is also identifying dates for Planning Commission and City Council approval.
- 2.4 Update the Condominium Conversion Ordinance: Staff has worked with a consultant to identify potential changes to the Ordinance. A meeting with advocacy groups (Housing Long Beach and Apt. Association) was held on October 3, 2017. Staff will incorporate ideas from the meeting, and then begin working with the City Attorney's Office to modify the existing Ordinance. Staff is also identifying dates for Planning Commission and City Council approval.
- 3.1 Explore a Local Bond Measure as a One-Time Source to Capitalize the Housing Trust Fund: A TFF was prepared on this item and forwarded to the Mayor and City Council on September 25, 2017.
- 3.2 Begin the Development of an Inclusionary Housing Policy: An RFP to select a consultant to assist with this effort was released on October 9, 2017.
- 3.3 Investigate the Possibility of Establishing a Local Document Recording Fee to Fund Affordable Housing: The State Legislature adopted, and the Governor recently signed SB 2, which will implement this program at the State level. A TFF providing additional information on SB 2 will be forwarded in October, 2017.

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- 3.4 Investigate the Possibility of Dedicating City Resources for Affordable Housing: Funds deposited into the Housing Fund from Successor Agency loan repayments and housing activities totaled approximately \$7.6 million for FY 18. Staff investigated the potential for additional City resources for affordable housing, but no General Funds dollars were available for this purpose for FY 18.
- 3.5 Modify the Housing Trust Fund Ordinance: This will be done in conjunction with any new source of funding that is identified.
- 3.6 Modify the Moderate-Income Definition to Include up to 150% AMI: This will be considered in conjunction with any new source of funding that is identified (including an inclusionary policy).
- 3.7 Encourage the Adoption of Specific Plans to Encourage a More Rapid Entitlement Process: The Southeast Area Specific Plan (SEASP) was adopted by the City Council on September 19, 2017.
- 3.8 Consider Expanding One-for-One Replacement in Areas Outside of the Coastal Zone: This item will follow after item 2.3 is concluded.
- 3.9 Develop and Offer First-time Homebuyer Programs: This will be done in conjunction with any new source of funding that is identified.
- 3.10 Encourage the Adoption of Regulations to Allow and Incentivize Shipping Container Construction for Housing: A memorandum was prepared on this item and forward to the Mayor and City Council on August 2, 2017.
- 3.11 Develop a Plan to Include Micro-Units as a Method for Encouraging Housing Production: This item is pending.
- 3.12 Study Short-Term Rental Regulations (Vacation Rentals): Staff has conducted additional research, and has been working with the City Manager's Office on this item. An RFP to identify a consultant to assist with the development of a policy/program was released on October 18, 2017.
- 3.13 Ensure That Sufficient Resources Are Available to Implement the City's Proactive Rental Housing Inspection Program: This is done as part of the annual budget process. For the FY 18 budget, fees on existing services were increased by 2.23 percent (rounded to the nearest five dollars) based on the City's Cost Index. This resulted in a five-dollar increase to each of the three tiers of fees for this program. No new fees or services were included in the FY 18 budget.
- 3.14 Explore the Feasibility of Using New Structures Such as the Enhanced Infrastructure Financing District to Capitalize the Housing Trust Fund: This item is pending.
- 3.15 Explore and Propose an Article 34 Referendum to Ensure Maximum Leveraging of State Resources for Affordable Housing Developments: This item is pending.

- 3.16 Provide the Necessary City Staffing Resources to Manage the Increased Housing Production Contemplated by These Policies: This will be done as part of the annual budget process, and in conjunction with any new source of funding that is achieved.

If you have any questions regarding this matter, please contact Patrick Ure, Housing Development Officer, at (562) 570-6026 or Patrick.Ure@longbeach.gov.

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