CITY OF LONG BEACH

Neighborhood Stabilization Program 2 Application

Application #233604211

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Program Summary

1. Overview

The Neighborhood Stabilization Program – 2 (NSP2) is one of the initiatives of the American Recovery and Reinvestment Act of 2009 (ARRA). The program was modeled after the Neighborhood Stabilization Program – 1 (NSP1) created under the Housing and Economic Recovery Act of 2008 (HERA). Under NSP - 1, the City of Long Beach was allocated $5.07 million funds from U.S. Department of Housing and Urban Development (HUD) in order to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes, stabilize neighborhoods, and stem the decline of house values of neighboring homes. The City Council approved the plan for the use of NSP1 funds at their November 18, 2008 City Council meeting. Soon afterward, the Department of Community Development began implementing the program.

Properties in foreclosure continue to be a problem across the country, prompting the U.S. Congress to add the Neighborhood Stabilization Program – 2 (NSP2) to the American Recovery and Reinvestment Act of 2009. NSP2 is a competitive grant program rather than an entitlement program. NSP2 regulations are virtually identical to NSP1 with few exceptions.

2. Application Process

The City of Long Beach Department of Community Development, as the lead, and its partner, Habitat for Humanity Greater Los Angeles (Habitat), a non-profit full service developer, herein collaborate with and submit this joint application for NSP2 funds. Once selected, the City and Habitat are ready to meet HUD's published NSP requirements, as described in Appendix 1 of its notice.

The central foundation of this joint application has overarching goals: creating affordability and increasing homeownership in highly affected targeted neighborhoods, mitigate negative effects of foreclosure like blight and decline of housing values, and revitalize and reconnect targeted neighborhoods to higher level and sustainable economy and housing market.

3. Proposed Use of NSP- Funds

The City and Habitat will use NSP2 funds in the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by sub-prime mortgage loans, and those areas identified by the City, through its thorough and comprehensive housing and economic data analysis, as areas likely to face a significant rise in the rate of home foreclosure.

The City NSP2 proposal is focused on returning foreclosed properties back into the hands of qualified owners who will restore these properties and in so doing increase the livability of area neighborhoods. While implementing NSP1, the City has

observed that there is a very active speculative industry in which investors are seeking to acquire and hold REO properties until the market improves. In areas of high-foreclosure concentrations, excessive speculative purchases will greatly prolong the cycle of disinvestment for years to come as these investors hold properties, make minimum or no investment, and cause further neighborhood decline. This is a looming problem that must be addressed innovatively with the proposed NSP2 programs. It is the City's goal to intervene and prevent neighborhood destabilization by aggressively competing in the REO market. We will seek to divert a significant share of resold REOs to first time homeowners, who will serve to stabilize their communities. The City will be implementing this strategy in several ways, including direct acquisition and disposition of REOs by Habitat and through direct affordable financial assistance to prospective homebuyers to acquire and/or rehabilitate the properties. Through this strategy, the City will help stabilize high-foreclosure areas, arrest the decline housing values, and reconnecting targeted neighborhoods with the economy, housing market, and social networks of the community and metropolitan area as whole.

4. Program Design

The City and Habitat will establish NSP2 funded programs that fully comply with the eligibility requirement.

The proposed NSP2 funded programs will be fully implemented by the Community Development Department and Habitat according to HERA, Community Development Block Grant (CDBG) and all other applicable federal rules and regulations. In addition, proposed activities will target eligible City residents that are: 1) in the income bracket of 51 to 120 percent area median income and 2) 25 percent of the funds will also fully be "deep targeted " to eligible residents at or below 50 percent of the area median income.

NSP2 funds will be used by the City and Habitat to undertake the following two primary activities and administration:

- Establish financing mechanisms to purchase and redevelop foreclosed upon homes and residential properties, including such mechanism as soft-seconds, loan loss reserve, and shared-equity loans for low- and moderate-income homebuyers.
    - The City will provide silent second mortgage assistance loans to low- and moderate-income first-time homebuyers who purchase a qualified single-family or condominium home in an eligible area.
- Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.
    - Habitat will rehabilitate foreclosed and REO properties into affordable homes for purchases by low and very-low income families.

5. Requested Amount

Strategy	Amount Allocated	Estimated Housing Units
Establish financing mechanisms for purchase and redevelopment of foreclosed homes - 65%	$14,662,487	86
Purchase and rehabilitate homes that have been foreclosed upon - 25% (for 50% area AMI buyer)	$5,562,480	25
Administration - 10%	$2,224,998	0
TOTAL	$22,249,980	111

Narrative Statements

1. Factor 1 – Market Analysis Conditions- Long Beach Neighborhood Stabilization Program 2 Target Areas

a. Target Geography - North Long Beach - (see Appendix 1 and 2 for a list of Census Tracts)

Target Geography:
We have studied and selected 44 of the most distressed census tracts within the City based on NSP 2 scores (average of 18 overall), foreclosure activity, lending trends, default risks, housing and other neighborhood socio-economic conditions. These census tracts are located within four major areas referred to as West Long Beach, Central Long Beach, East Long Beach, and North Long Beach neighborhoods. Although the conditions vary, all areas exhibit common elements of distress and an urgent need to address the foreclosure crisis. In addition, the City has long monitored the citywide housing conditions and affordability under NSP 1, other existing housing programs, community redevelopment activities, and via the Vacant Building Ordinance. We are therefore confident that the requested NSP 2 funds combined with our existing affordable housing resources will best serve to stabilize the target tracts selected for this program.

b. Market Conditions and Demand Factors

(1).Reasonable projection of the extent to which the markets (in target geography are likely to absorb abandoned and foreclosed properties through increased housing demand during the next three years if funding is not received.

Market Absorption Rates:

Actual Total Sales 12-mos (May 08-April 09)	Projected REO's over 12 months	Actual REO Foreclosure Sales 12-mos (May 08-April 09)	Unsold overhang over 12 months	Unsold overhang over next 3 Years	Pre-foreclosures as % of all SFD/ condos
2,058	995	855	140	420	3.2%

Sources: www.realestateconomics.com / www.foreclosureradar.com and City Projections

During the first three (3) months of 2009, there were 327 NOD's (preforeclosures) recorded on residential properties located within target area tracts. Projecting these preforeclosures over 12 months totals 1,326. Since a percentage of these preforeclosures will be redeemed by a loan modification or workout, it is estimated by the City that 75% or a total of 995 will become foreclosures.

There were a total 2,058 sales transactions during the 12-month period May 2008-April 2009 within the NSP 2 target area census tracts. These sales included private re-sales, new construction, and REO foreclosures sales. Of the

total sales, 855 or 46% were foreclosure sales over this 12-month period. This percentage translates into a monthly rate of 12 un-absorbed properties or 140 per year. Projecting this rate over three years brings this overhang to 420 un-absorbed properties. This figure, however, does not include existing unsold inventory at the start of this analysis period. Although the average time on the market is 67 days, the average maximum time is 661 days for certain properties (source: www.realestateaol.com). This data shows that the market is not projected to absorb all abandoned or foreclosed-upon properties via the normal market process without NSP2 funds.

Employment:
The current citywide unemployment rate is 12.5%. Although it is projected that a small increase (5%) in citywide jobs will occur (2009-2013), even the highest paid group (management occupations) at $72,238 (source: www.economicmodeling.com) would be cost burdened for an average target area priced-home. Employment growth will not serve to increase absorption of foreclosed-upon properties.

Population Growth:
Based on data from www.GeoLytics.com, the combined projected population for the target tracts is a negative -2.4%. Therefore, population growth will not help increase absorption of unsold (unabsorbed) homes over the next 3 to 5 years.

(2).Extent to which over-building of housing units, over-valuation of housing, or loss of employment is a critical factor, or the most critical factor, causing abandonment and foreclosure in the target geography.

Overbuilding:

CATEGORY	Total Number Of Home Sales May 06 to April 09					
	May 2008 to April 2009		May 2007 to April 2008		May 2006 to April 2007	
	Number	%	Number	%	Number	%
OVERALL	4,788	100%	3,330	100%	4,863	100%
% Change from Prev. Period		43.8%		-31.5%		
Resale (Private Market)	2,235	46.7%	1,915	57.5%	3,718	76.5%
New (Builder-to-Owner)	153	3.2%	218	6.55	557	11.5%
Foreclosures (Bank Take Back)	1,144	23.9%	745	22.4%	329	6.8%
Foreclosure Sales (REO Sales)	1,256	26.2%	452	13.6%	259	5.3%

Source: www.realestateeconomics.com

The table above and the chart below show that new construction (Builder-to-Owner) sales only accounted for 3.2% of the total activity during the last 12 months. These new 153 units only represent a 0.4% increase in the total housing stock. Two years prior it was at 11.5%, representing a 1.4% increase in the housing stock. This data shows that overbuilding was not the cause of the foreclosure crisis.

Overvaluation:

Period	No. Preforeclosures (NOD's) Filed	Estimated Property Value	Estimated Loan Balance	Equity (value minus loan)	% Value to Loan
Jan 09 to March 09	327	$171,894,888	$290,690,544	($118,795,656)	169%
Average		$525,672	$888,962	($363,289)	169%

Source: www.foreclosureradar.com

During the 3-month period, January 2009 to March 2009, there were 327 NOD's or preforeclosures recorded for the subject census tracts. Adding the total property value as estimated by the data provider equals $172 million, however, the combined loan balance totals $291 million - resulting in a total negative equity of $119 million. Given the median income for these areas, it is clear that predatory sub-prime lending encouraged homeowners to refinance or take out second loans based on these inflated values. This data confirms the extent of over-valuation, a major cause of foreclosures and as confirmed by HUD NSP risk scores.

Lenders and Overvaluation:

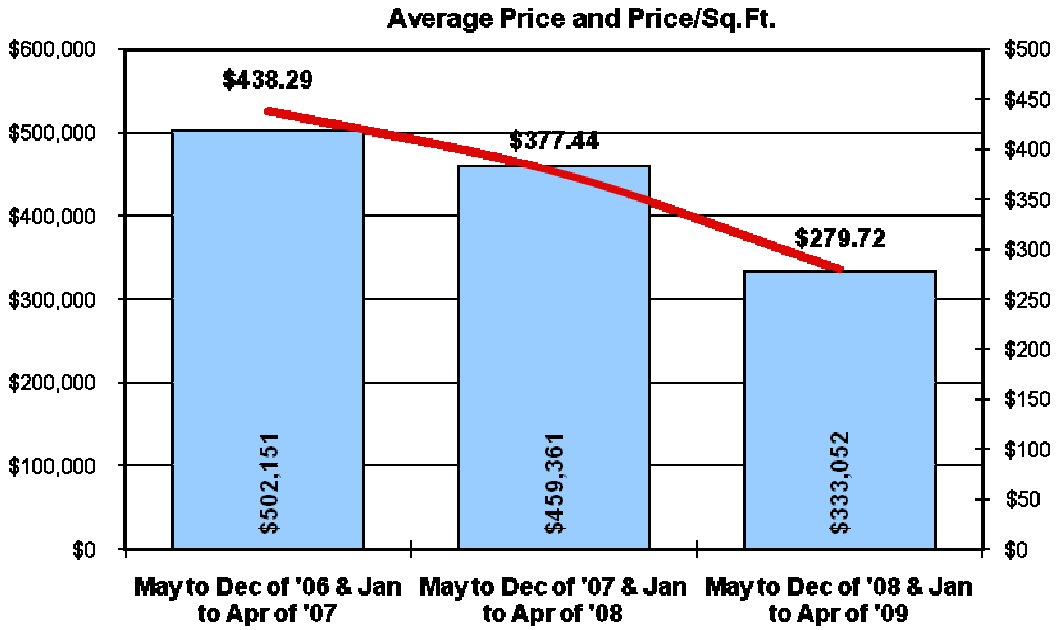
There were 4,592 transactions during the 12-month period May 2008 to April 2009 comprised of (owner to lender), lender REO sales, private (owner to owner), and private new construction sales. A review of the sellers shows an array of sub-prime lenders. These include the now-defunct Countrywide Mortgage, now defunct Indy Mac Bank, JP Morgan, and Merrill Lynch (recipients of TARP bailout funds). All of which have had disastrous sub-prime lending records. The identity of these lenders and extent of high-leverage loans further confirm overvaluation as a critical cause of the foreclosure crisis in the selected tracts.

Overvaluation and Sub-Prime Lending:

The following table shows that the average sales price (SFD/condos) for the target zip code areas has declined from $502,151 to $333,052 (or 28%) over the 3-year period. In addition, current REO foreclosure sales prices average about 38% lower than non-foreclosure private market sales. The data shows the extent of sub-prime lending based on overvaluation. The averaged-priced home in 2006 and even today requires an average of 55% of the area median income. Without sub-prime adjustable loans, these sales would not have occurred to households that could not afford them.

CATEGORY	Average Sold Price May 06-April 09		
	Current Period	One Yr. Ago	Two Yrs. Ago
OVERALL	$333,052	$459,361	$502,151
% Change from Prev. Period	-27.5%	-8.5%	
Resale (Private Market)	$388,235	$498.639	$505,680
New (Builder-to-Owner)	$452,303	$501,101	$502,313
Foreclosure (Bank Take Back)	$283,876	$385,956	$430,980
Foreclosure Sale (REO Sales)	$280,926	$397,628	$519,640

Source: www.realestateeconomics.com



Source: www.realestateeconomics.com

Adjustable and High-Leverage Loans:

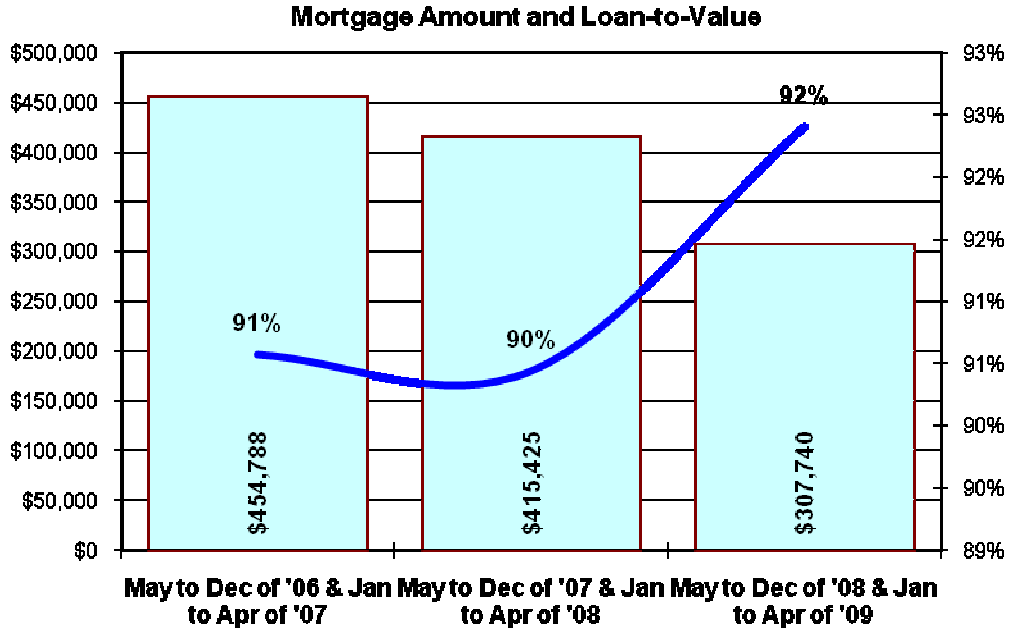
Loans Transacted February 2008 to February 2009							
NSP Tract Parent Zips	Total # Loans	Average Loan Amount	Market %	% Refinance Loans	% Adjustable Rate Loans	LTV (0% to 5%)	SFD/ Condo
90808	1,732	$276,171	15.5%	78%	29%	4%	100%
90805	1,610	$264,064	14.4%	62%	20%	17%	94%
90815	1,447	$453,661	12.9%	79%	33%	3%	98%
90803	1,202	$434,204	10.8%	81%	39%	2%	95%
90807	1,103	$314,722	9.9%	70%	29%	7%	96%
90802	948	$403,745	8.5%	53%	22%	9%	84%
90806	715	$306,092	6.4%	67%	22%	9%	89%
90810	673	$259,690	6.0%	62%	21%	16%	94%
90804	652	$322,848	5.8%	58%	20%	9%	81%
90813	548	$319,590	4.9%	64%	24%	9%	74%
90814	544	$327,634	4.9%	70%	30%	4%	95%
Totals	11,174	$334,766	100.0%	69%	27%	8%	93%

Source: www.dataquick.com

During the 12-month period February 2008 to February 2009, there were 11,174 loans transacted in the NSP zip code areas of which ninety-three (93%) were for SFD/Condos. It is significant to note that an average of 69% were non-purchase refinancing loans and 27% were adjustable rate, generally considered sub-prime by HUD. This means that when these loans adjust to market interest rates – borrowers face the risk of unaffordable payment increases, defaults, and

potential loss due to foreclosure. In addition, an average of 8% overall contained a LTV of zero to 5%- also considered high leverage loans. Again, overvaluation coupled with sub-prime lending were the most critical factors behind the foreclosure problem.

High-Leverage Loan to Value Factors:
The chart below shows that the average mortgage amount has declined 26% from $454,768 to $307,740 over the 3-year study period. In addition, the average down payment has remained low, averaging about 8% to 9% of the purchase price. A low down payment results in higher loan to value and creates more risk that the limited equity will be eliminated as foreclosures sales increase and depress overall market values. With evaporated or negative equity, adjustable rate and other high-priced loans cannot be refinanced into more affordable low interest rates. This condition perpetuates higher risk of foreclosure and further neighborhood price declines. Again, high-leverage based on overvaluation coupled with sub-prime lending were the most critical factors behind the foreclosure problem.



Source: www.realestateeconomics.com

(3). The income characteristics of target geography households and information on housing cost burden for households at the 50 percent, 80 percent, and 120 percent of area median income levels.

Income and Housing Cost Burden (In Total and by Neighborhood):
The average median household income for all NSP target area tracts is $39,930 based on June 2009 updates of 2000 Census data. This income level is about 64% of the Los Angeles County AMI ($62,100 for family of 4). Approximately 42% of the entire target area households have incomes at or below 50% of AMI

(less than $30,000), 22% are at (51% to 80% of the AMI), and about 16% at (81% to 120% of the AMI (www.GeoLytics.com). A combined eighty-one (81%) percent of all households within the target tracts are at 120% or below the AMI. The following table delineates income and housing cost burden for each neighborhood by census tract.

Central Long Beach Neighborhoods (Income and Cost Burden):

Census Tract	# of 1-Unit Attached/ Detached	Ann. Median HH Income	Ann. Mortgage (96% LTV)) (PITI) for Avg. Home	Cost Burden of Homeownership	Avg. 3-BR Rental by Zip Code 2009	Percent Median Inc Used for Rent
576300	431	$22,260	$23,196	104.2%	$18,000	80.9%
573202	852	$26,805	$21,870	81.6%	$22,680	84.6%
576401	309	$18,967	$15,114	79.7%	$18,000	94.9%
575803	103	$16,904	$12,699	75.1%	$18,000	106.5%
575401	144	$22,015	$15,229	69.2%	$18,000	81.8%
576100	46	$36,493	$24,905	68.2%	$26,688	73.1%
575402	158	$20,312	$13,356	65.8%	$18,000	88.6%
573100	1,108	$34,458	$21,518	62.4%	$27,600	80.1%
573201	694	$28,408	$17,151	60.4%	$22,680	79.8%
575101	460	$29,868	$16,596	55.6%	$19,488	65.2%
572201	1,425	$49,137	$25,391	51.7%	$22,200	45.2%
575901	239	$29,475	$15,028	51.0%	$26,688	90.5%
572202	913	$53,988	$25,952	48.1%	$27,600	51.1%
572001	1,786	$65,043	$30,894	47.5%	$21,600	33.2%
572002	605	$50,779	$19,696	38.8%	$21,600	42.5%
572100	301	$69,768	$26,477	37.9%	$22,200	31.8%
Totals	9,574					
Averages		$35,918	$20,317	62.3%	$21,939	70.6%

Source: www.realestateeconomics.com / www.GeoLytics.com / www.zilpy.com

For all census tracts located in the Central Long Beach neighborhoods, the annual housing cost (housing cost includes principal, interest, taxes and insurance – PITI) for an average-priced home is $20,317 and the average rent for a 3-bedroom unit is $21,939. On average, 62% of all census tracts in these neighborhoods are cost burdened with mortgages and 71% with rent cost - defined as spending more than 30% of monthly income on housing for an average-priced dwelling unit.

East Long Beach Neighborhoods (Income and Cost Burden):

Census Tract	Total 1-Unit Attached/ Detached	Ann. Median HH Income	Ann Mort (96% LTV) (PITI) for Avg. Home	Cost Burden of Homeownership	Avg. 3-BR Rental by Zip Code 2009	Percent Median Inc Used for Rent
576300	2,638	$79,915	$34,482	43.1%	$28,200	35.3%
574500	2,259	$74,148	$34,557	46.6%	$26,256	35.4%
573600	2,295	$70,097	$30,690	43.8%	$26,340	37.6%

Totals	7,192					
Averages		$74,720	$33,243	44.5%	$26,932	36.1%

Source: www.realestateeconomics.com / www.GeoLytics.com / www.zilpy.com

For all census tracts located in the East Long Beach neighborhoods, the annual housing cost for an average-priced home is $33,243 (PITI) and the average rent for a 3-bedroom unit is $26,932. On average, 45% of all census tracts in these neighborhoods are cost burdened with mortgages and 36% with rent cost - defined as spending more than 30% of monthly income on housing for an average-priced dwelling unit.

North Long Beach Neighborhoods (Income and Cost Burden):

Census Tract	Total 1-Unit Attached/ Detached	Ann. Median HH Income	Ann Mort (96% LTV) (PITI) for Avg. Home	Cost Burden of Homeownership	Avg. 3-BR Rental by Zip Code 2009	Percent Median Inc Used for Rent
570304	692	$27,730	$18,834	67.9%	$22,200	80.1%
571502	865	$42,745	$28,512	66.7%	$22,680	53.1%
570203	404	$26,395	$17,355	65.8%	$22,200	84.1%
570603	130	$27,136	$16,130	59.4%	$22,200	81.8%
570602	1,251	$37,358	$22,030	59.0%	$22,200	59.4%
570301	839	$32,437	$18,384	56.7%	$22,200	68.4%
570601	1,192	$33,751	$18,886	56.0%	$22,200	65.8%
570401	1,399	$33,978	$18,892	55.6%	$22,200	65.3%
570303	685	$30,664	$16,988	55.4%	$22,200	72.4%
570502	1,562	$37,705	$20,044	53.2%	$22,200	58.9%
571702	1,455	$29,632	$15,432	52.1%	$22,200	74.9%
570100	653	$52,836	$26,329	49.8%	$22,200	42.0%
571501	1,824	$50,211	$22,840	45.5%	$22,680	45.2%
570202	1,354	$43,955	$19,480	44.3%	$22,200	50.5%
570402	859	$43,001	$18,846	43.8%	$22,200	51.6%
570204	708	$34,918	$15,078	43.2%	$22,200	63.6%
570501	1,676	$43,360	$18,606	42.9%	$22,200	51.2%
571701	1,171	$35,746	$14,100	39.4%	$27,600	77.2%
Totals	30,095					
Averages		$36,864	$19,265	53.1%	$22,553	63.6%

Source: www.realestateeconomics.com / www.GeoLytics.com / www.zilpy.com

For all census tracts located in the North Long Beach neighborhoods, the annual housing cost for an average-priced home is $19,265 (PITI) and the average rent for a 3-bedroom unit is $22,553. On average, 53% of all census tracts in these neighborhoods are cost burdened with mortgages and 64% with rent cost - defined as spending more than 30% of monthly income on housing for an average-priced dwelling unit.

West Long Beach Neighborhoods (Income and Cost Burden):

Census Tract	Total 1-Unit Attached/ Detached	Ann. Median HH Income	Ann Mort (96% LTV) (PITI) for Avg. Home	Cost Burden of Homeownership	Avg. 3-BR Rental by Zip Code 2009	Percent Median Inc Used for Rent
572302	726	$39,997	$25,058	62.6%	$21,600	54.0%
572700	1,217	$45,549	$21,466	47.1%	$22,680	49.8%
572301	857	$38,711	$17,788	46.0%	$21,600	55.8%
544000	1,261	$44,177	$19,994	45.3%	$26,688	60.4%
572400	271	$51,708	$21,299	41.2%	$21,600	41.8%
572500	130	$18,552	$7,335	39.5%	$21,600	116.4%
572600	1,226	$55,819	$17,922	32.1%	$22,680	40.6%
Totals	5,688					
Averages		$42,073	$18,695	44.8%	$22,635	59.8%

Source: www.realestateeconomics.com / www.GeoLytics.com / www.zilpy.com

For all census tracts located in the West Long Beach neighborhoods, the annual housing cost for an average-priced home is $18,695 (PITI) and the average rent for a 3-bedroom unit is $22,635. On average, 45% of all census tracts in these neighborhoods are cost burdened with mortgages and 60% with rent cost - defined as spending more than 30% of monthly income on housing for an average-priced dwelling unit.

(4).Relevant social, governmental, educational, or economic factors contributing to local market conditions and to neighborhood decline or instability within the target geography.

Social and educational factors contributing to neighborhood instability include; an average total minority population of 79% with 49% that speak either an Asian language or Spanish at home. Approximately 57% of the population 25+ years has a high school education or less. About 21% of the households have incomes below the poverty level based on June 2009 estimated Census data from www.GeoLytics.com. These social, cultural, language, and educational conditions can make this population segment more vulnerable to predatory- sub-prime lending practices that helped lead to defaults and foreclosures.

Long Beach citywide unemployment stands at 12.5% as of April 2009 (based on State LIMI EDD data as compared with 5.6% two years prior). Unemployment means less income into a typical household- and less ability to afford housing costs. Overall jobs in the City of Long Beach are projected to remain relatively stable, except for the manufacturing sector, which is projected to decline by 18% between 2009 to 2012- based on data from www.economicmodeling.com . About 19% of City residents work in production (manufacturing) and transportation related occupations and will be negatively impacted. Although the NSP program cannot directly provide job assistance, it can assist economically by reducing the housing cost burden.

On average residents must pay 55% of median HH income for an average priced home and 56% of income for an average 3-bedroom rental. This income burden means that the average target area household cannot afford an average priced property REO, yet they are selling. We can therefore conclude that private investors (absentee landlords) are purchasing these properties to be used as rentals and thereby not increasing homeownership. This condition is further confirmed by the fact that over half of the 44 census tracts contain from 60% to 100% attached and detached 1-unit homes, yet only 48% of the area housing stock is owner-occupied. Unlike homeownership, rentals do not contribute to neighborhood stability. In addition, there is generally a greater rate of deferred maintenance with rentals – which over time affects overall neighborhood stability. More startling is the fact that the average 3-bedroom rents can, all else being equal, support the mortgage payment of an average REO property. But for a down payment and affordable loan terms, these renters could ideally become homeowners.

The average age of the target housing stock is 50 years old with certain tracts containing homes that average 70-years plus. Older homes require more maintenance and capital replacements that further contribute to the housing cost burden and to neighborhood destabilization.

(5).NSP2 activity categories are most likely to stabilize the target geography based on the information above.

Market Condition (1):

Absorption Rates and Foreclosure Volume
We will intervene in the foreclosure absorption overhang market by increasing buyers to help absorb the continuing influx of REO properties. We will also reduce the number of foreclosure sales as a percent of all future sales by addressing the root cause -- unaffordable loans and over-priced homes. We will accomplish this by making direct REO purchases from lenders (via Habitat activities) and by providing financial assistance under our Second Mortgage Assistance (SMAP) Program to qualified buyers who will themselves make such purchases. We will further also attack the foreclosure situation by means of comprehensive neighborhood monitoring of the real estate market and other economic conditions. Current knowledge will help borrowers, residents, NSP program staff, community, and political leaders understand conditions and make the most informed decisions with regards to attacking the foreclosure crisis.

Sub-Prime Lending
Unlike other areas in the nation, these neighborhoods are not experiencing foreclosure destabilization due to overbuilding or high numbers of vacancies. The data shows that a primary culprit was sub-prime lending practices. We will address this issue by offering acquisition loans based on current Fair Market Value (FMV) and then subsidize the loan terms to levels that are affordable by persons below 120% of AMI. We will also provide deep discounts (via Habitat activities) to homebuyers at or below 50% of the AMI. We will further address

sub-prime lending by monitoring these predatory lenders, referring buyers to approved lenders, providing solid homeownership counseling, providing financial literacy, and making referrals to other supportive services such as legal aid. We will further combat sub-prime lending by enhancing homeownership knowledge by utilizing the renowned careful homebuyer screening process and counseling of Habitat for Humanity of Greater Los Angeles (Habitat).

Market Condition (2):

Overvaluation
The average selling price difference between an REO foreclosure and a private sale is about 38% lower ($388,235 versus $280,962) within the target tracts. We will address the issue of past overvaluation (making loan on inflated prices) by acquiring and re-selling homes based on the current appraised FMV and by providing subsidies with loan repayment terms that do not exceed 30% of the household income. In calculating the LTB ratio, we will liberally take into consideration family size, all debt, and all required consumer living expenses in structuring an affordable payment. We will continue to use our widely successful SMAP program, which includes interest-free second mortgages with no monthly payments and possible equity sharing. NSP assisted homes should therefore sell in the future at the normal private market prices (now 38% higher) and thereby achieve NSP long-term program goals of increasing median market values in the target neighborhoods.

Market Condition (3):

Housing Cost Burden
We will address the housing cost burden by providing loans and reselling homes that are priced at affordable levels. We will bring the housing cost to levels that do not exceed 30% of household income by structuring affordable loan terms and deep subsidies. Loans will be provided to households at or below 120% AMI who represent about 81% of the entire target area housing market. Our partner Habitat will meet deep targeting goals by addressing the homeownership needs of households at 50% or less of the AMI (42% of total market). In addition, we will strengthen long-term neighborhood stability by requiring the longest feasible continued affordability loan terms. We will also reduce the cost burden by reducing future homeownership operating/maintenance expenses by requiring high quality rehabilitation before occupancy. We will also lower costs by requiring and subsidizing green and energy saving improvements as a component of rehabilitation.

Market Condition (4):

Lack of Homeownership
We will address the issue of low homeownership rates by acquiring REO's and reselling these to homebuyers and by converting renters to first-time homeowners. We make this possible by continuing our over-subscribed SMAP program, identifying qualified local renters, providing first-time homeowner

education, providing affordable loan terms, and other related supportive services. By expanding homeownership and converting renters to owners, we will further serve to stabilize the target neighborhoods and reduce the negative impacts of excessive rentals and absentee landlords.

Housing Stock Condition

We will help arrest blight and decline of the aging foreclosed-upon housing stock (average 50 to 70 plus years) by requiring and subsidizing high quality rehabilitation, providing Green standards, and as lot sizes permits, making needed room additions and expansion. The proposed high-quality rehabilitation program will result in enhancements and extend life of the existing housing stock while lowering ownership costs. Lower costs will be realized by means of affordable loans terms, lower maintenance costs resulting from rehabilitation, lower energy costs (Green and other sustainable building standards). All these actions will serve to stabilize and revitalize the target neighborhoods.

Other Economic Factors

We will help address the economic problems by reducing the percentage of monthly income of program participants dedicated to housing expenses. This assistance will generate more disposable income for consumer related needs (savings, education, health care, etc.). We will also increase household wealth over time by facilitating growth in home equity by means of mortgage pay down, stabilizing the market and reducing foreclosures, which help contribute to stable normal property value increases over time.

In addition, considerable NSP 2 rehabilitation construction, lending, brokerage, and other program spending will generate new direct and indirect fiscal and economic benefits including employment opportunities – with a percentage for available to qualified target area residents.

Reconnect Neighborhoods –Cultural and Language Issues

We will address the cultural and language issues by providing lending and information programs that are culturally and language sensitive. We will also reconnect neighborhoods with housing, local economy and social networks by the use of information technology systems (web-based media, social networking systems). These will include, NSP2 requires grantees to obtain information which to make property purchases, identify buyers, target income groups, track results, and the like. We will utilize such data and information systems to provide supportive service referrals, extensive program marketing, useful real estate market information to the community, identify bad lending practices, show progress and much more.

We will further reconnect and stabilize our neighborhoods by integrating our NSP2 programs in with other housing programs, local and regional plans, and policies (energy conservation, safety, code enforcement, crime, jobs, etc.), further discussed in the application.

2. Factor 2 – Demonstrated Organizational Capacity and Relevant Organizational Staff

a. Past Experience of the Applicant

The City is committed to the preservation and expansion of its affordable housing supply, and revitalization and stabilization of neighborhoods. The City accomplishes most of its affordable housing goals through The Long Beach Housing Development Company (LBHDC), a non-profit, public benefit corporation with the City as its sole member. It is governed by an eleven-member citizen Board of Directors appointed by the Mayor and confirmed by the City Council. Through a contract between the City and the LBHDC, the Housing Services Bureau, City Attorney's Office, City Auditor, and Financial Management Department provide staff to support the LBHDC.

The City has a long history of furthering its neighborhood stabilization and affordable housing efforts through a variety of programs including downpayment and silent second mortgage assistance loans to low- and moderate-income first-time homebuyers, development of new rental and for sale affordable housing, rehabilitation of multi- and single-family residential housing, and acquisition/rehabilitation of single-family homes for resale to qualified first-time homebuyers.

The City has assisted in the creation or preservation of over 2,000 existing affordable housing units, and an additional 600 units are in various stages of development or rehabilitation, both rental and ownership. Since 1992, the City has assisted in excess of 900 very low-, low, and moderate-income homebuyer households with downpayment and mortgage assistance for the purchase of their first home. Specifically, in the past 24 months the City and the LBHDC have funded second mortgage assistance loans for 113 very low-, low-, and moderate-income first-time homebuyers, and provided financial assistance to nonprofit developers for the construction of 185 new rental units, and the rehabilitation of 346 rental units for very low- and low-income households

Our consortium partner, Habitat for Humanity of Greater Los Angeles (Habitat), is a full service developer with 20 years experience in renovating and building new homes for sale to low- and very low-income families. In the past two years Habitat has completed the construction and rehabilitation of 116 for sale units. To date they have built or rehabilitated over 300 homes in Los Angeles County.

Current Neighborhood Stabilization Efforts:

Shared-Equity Loans for Low-and Moderate-Income Homebuyers
In October 2008, the City of Long Beach, in cooperation with the LBHDC, dedicated $12 million dollars of federal HOME/ ADDI, state CalHOME, and local 20% tax increment set-aside funds to a Second Mortgage Assistance Program (SMAP) which provides up to $275,000 in silent second mortgage assistance loans to low- and moderate-income first-time homebuyers who purchase a qualified single-family

or condominium home in a City of Long Beach Redevelopment Project Area. The SMAP was designed to stimulate reinvestment, revitalize, and prevent the deterioration of neighborhoods caused by the falling real estate market.

Through the SMAP, first-time homebuyers may apply for a silent second mortgage assistance loan in an amount equal to the purchase price minus the sum of the borrowers mandatory downpayment and their first Trust Deed mortgage loan. First TD loans must be at least 30% of the purchase price and the borrowers monthly housing costs must be at least 28% of their income. The second mortgage loans run concurrent with the first TD loans and are due and payable after 30 years or upon sale of the property, which ever occurs first. The second loan does not accrue interest and no monthly payments are required. However, should the borrower sell the property prior to 30 years contingent, deferred interest in the form of equity share shall be paid along with the principal balance of the loan. The equity share percentage is calculated as the sum of the second mortgage assistance loan divided by the purchase price, and is applied to the net proceeds on the sale of the property. The net proceeds will be calculated as the sales price (or appraised value) minus the original purchase, and any capital improvements. A portion of the equity share percentage will be forgiven for each year that the borrower maintains the property as their principal residence. After 30 years the equity share percentage is fully forgiven and only the principal amount of the loan is due.

The SMAP was so popular that the City stopped accepting new applications in January 2009. As of June 2009, 198 SMAP applications have been received. 119 of these applicants have been verified as income-eligible and approved to participate in the SMAP. Of the 119 applicants, 61 have opened escrows on eligible properties. 34 homes have closed escrow and the remaining 27 escrows are in progress and scheduled to close by mid August. Due to limited resources, the City is unable to assist all 119 approved applicants with second mortgage assistance. However, should the City receive NSP2 funding, the remaining 47 approved applicants will be invited to participate in NSP2.

To ensure the viability and success of the SMAP, the City partnered with mortgage lenders to market the program to potential buyers and the real estate community, pre-qualify applicants, and secure first TD mortgage loans for buyers. To prepare for this partnership, during the summer of 2008, the City invited local realtors and lenders to attend informational meetings about the upcoming program. Interested lenders were then invited to respond to a Request For Qualifications. The lenders with the strongest experience with first-time homebuyers programs, mortgage financing, and marketing capabilities were invited to participate as select lenders for the SMAP. Lenders were also given special consideration for providing multi-lingual services. 19 select lenders confirmed their participation in the SMAP and executed a Lender Participation Agreement (LPA).

Additionally, each participant is required to complete a HUD-Certified 8-hour first-time homebuyer education seminar prior to receiving mortgage or downpayment assistance. For the past several years, the LBHDC has partnered with Los Angeles Neighborhood Housing Services (LANHS) to provide monthly first-time homebuyer

(FTHB) seminars in English, quarterly FTHB seminars in Spanish, and quarterly post-homeownership seminars throughout various locations in Long Beach.

In addition to our lenders' marketing efforts, the LBHDC markets the SMAP through its website at www.lbhdc.org as well as via outreach efforts at community events and our locally televised monthly "Inside Long Beach" program (http://www.lbhdc.org/video.html). Interested parties may also receive information from staff via phone, mail, or on a walk-in basis. Staff is available to assist clients in the following languages: English, Spanish, Khmer, and Vietnamese.

To ensure that the SMAP is administered effectively and within the required guidelines, the City and the LBHDC are involved in each aspect of the process. Staff reviews all applications from lenders, confirms applicant eligibility, provides SMAP participation status letters to lenders and applicants, coordinates property inspections through the City's Code Enforcement and Rehabilitation Divisions, and confirms that all SMAP requirements have been met by the borrower and the lender prior to funding the mortgage assistance loan.

Acquisition/Rehabilitation and Resale of Residential Properties

With the use of NSP1 funds the Rehabilitation Division of the Neighborhood Services Bureau of the City of Long Beach has begun the acquisition and rehabilitation of abandoned and foreclosed properties. In accordance with the City's Action Plan, in the first round, at least 8 single-family homes and 1 multi-family residential building will be acquired and rehabilitated. Upon completion of the single-family acquisitions and rehabilitation, these properties will be sold to eligible applicants from the LBHDC's SMAP who earn less 120% of area median income (AMI). The multi-family property will be transferred to a non-profit for management as a rental project for households earning less than 50% of AMI.

Through this process, City staff will locate foreclosed properties, negotiate the sales price with the bank, and administer the purchase process through its in house real estate professionals. Upon the close of escrow the City's Rehabilitation Division staff assess the property condition, perform a rehabilitation work write-up, as required, and request bids from local contractors to complete rehabilitation work. After completion of any required rehabilitation, the LBHDC will match the properties with applicants from their SMAP waiting list.

To date, the City has placed offers on 10 single-family properties. 9 offers have been accepted and 7 have closed escrow. The Rehabilitation process has begun on the 3 properties that have closed escrow. Efforts are underway to identify a vacant, foreclosed multi-family residential building.

With NSP2 funding, the City, in partnership with Habitat, will increase affordable homeownership opportunities to very low-income households. Habitat will purchase, rehabilitate and sell a minimum of 25 homes to households earning less than 50% of AMI. In addition to their 20 years of experience in renovating and building new homes for sale to low-income families, Habitat is also a mortgage lender that

specializes in providing interest-free financing to very low-income families who do not qualify for market rate loans

Habitat provides a complete rehabilitation on each home, including major appliances and critical components. They have extensive experience and a long standing dedication to developing LEED certified homes, installing solar panels, and including sustainable materials in each of their builds.

Habitat's revitalization model is comprehensive and includes every aspect of the acquisition, rehabilitation and resale process. They will identify and acquire properties, perform assessments, develop budgets, select buyers, perform rehabilitation work (buyers' will contribute of sweat equity) and sell the unit to the buyer with a zero interest loan.

In the past two years Habitat has completed the construction and rehabilitation of 116 for sale units. To date, they have built or rehabilitated over 300 homes in Los Angeles County.

Residential Rehabilitation

Additionally, the City administers rehabilitation loan programs through the Rehabilitation Division of the Neighborhood Services Bureau.

In the past 24 months, the City has provided rehabilitation loans totaling $4,074,877.44 to 102 properties (161 units). This includes 82 single-family and 20 multi-family properties.

In 2008, the City's Rehabilitation Division completed a substantial rehabilitation project with DECRO Long Beach, a Community Housing Development Organization (CHDO). With the City's investment of $11 million of federal HOME funds, 320 rental units in 12 scattered sites were substantially rehabilitated and made affordable to households earning less than 60% of AMI for a 55-year period.

As a result of the nationwide housing crisis, which has caused massive foreclosures of residential real estate in Southern California, the City has refocused its marketing efforts and is targeting the most severely affected areas of the City to receive housing rehabilitation assistance. It is anticipated that targeting assistance will help mitigate the effects of foreclosure distress in "at risk" neighborhoods. The City will continue however, to provide single-family low-interest (3%) loans to low-income homeowners to rehabilitate their residential property up to four units on a lot. Additionally, the same types of low-income 3% loans are made available to low-income homeowners to rehabilitate their manufactured housing units. "No interest loans" or grants may also be made to fund rehabilitation required to meet lead-based paint regulations. Considering that Long Beach is a "built-out" City, providing housing rehabilitation loans enables income eligible homeowners to maintain their home, and is a powerful tool for overall neighborhood preservation during these times of economic distress.

The City also has recently implemented a new multi-family pilot program in response to the housing crisis and targets a neighborhood, which is suffering the effects of real estate foreclosure activity. The pilot program offers an innovative loan structure and terms that include no interest, deferred payments, and help to mitigate prevailing wage costs paid by the owner.

Code Enforcement

Additionally, in response to the recent foreclosure activity, the City Council enacted dramatic changes in Long Beach Municipal Ordinance 18.21. The redrafting of this ordinance enables the Code Enforcement Division to immobilize the negative impact vacant buildings can have in the City. Taking a more proactive and effective role in monitoring the sites significantly reduces the potential for blight in the community.

The ordinance requires the City to identify vacant buildings and initiate actions designed to ensure the properties are properly maintained and meet minimum code requirements until such time as they become occupied. The City investigates properties based on complaints received from the general public, City Council, and proactively via a report generated from software designed to identify properties in the City that have fallen into foreclosure.

Once a building is identified as being vacant and in violation of any City property maintenance standard, a letter is sent to the owner notifying them that the property has been entered into the monitoring program. A “Vacant Building Property Agreement” option is offered to the owner to encourage responsibility for the vacant property and to foster an effective line of communication between the owner, or his agent, and the City. This approach should result in a well-maintained property. Additionally, the agreement can save the owner substantial financial obligations related to City’s role in maintaining the property.

The ordinance requires a fee of $145 per month for the City to monitor the property. Any other costs associated with abating nuisances such as cleaning the weeds, removing abandoned vehicles or securing the buildings are fully recoverable by the City.

This year the City has opened approximately 200 Vacant Building Monitoring cases in Long Beach.

Neighborhood Improvement

One method used by the City in preserving housing is to provide residential improvement rebates to assist in the aesthetic rehabilitation of residential properties. Over the last two years, this program has provided over 700 residential property improvements in our neighborhoods. These improvements visually improve the property as well as the surrounding neighborhood thus; the residents have a sense of neighborhood stability. Community Development Block Grant funding as well as funding from our Redevelopment Agency support this residential rehabilitation program. Since 2007, the City has leveraged over $500,000 in set-aside money to sustain these efforts.

Additional Experience

In 1992, the LBHDC launched its first Second Mortgage Assistance Program assisting households earning no more than 120% of AMI. In subsequent years, equally successful downpayment and mortgage assistance programs followed. Since 1992, the LBHDC has assisted in excess of 900 very low-, low-, and moderate-income homebuyer households with downpayment and mortgage assistance for the purchase of their first home.

In 2007, the LBHDC partnered with the developers of two new construction for-sale condominium projects (Olive Court and Neo Zoe) and provided second mortgage assistance loans to an additional 52 low-, and moderate-income first-time buyers who purchased homes in these projects.

In furtherance of the City and the LBHDC's goals of increasing the supply of new affordable housing, $52 million of federal HOME and local 20% tax increment set-aside was invested with developers Meta Housing, Lyon Realty, Menorah Housing, Pacific Diversified, Century Housing, and Jamboree Housing, for the development of 390 new rental units serving the senior, very low-, low-, and moderate-income population. Special consideration was given to those developers with projects that service the transit corridors. Several of these projects were completed in 2007 and 2008 and were fully leased-up immediately upon opening. Others are in the design and construction stages with scheduled grand opening dates in 2010 and 2011. Video excerpts of interviews and grand opening celebrations from several of these projects can be seen at http://www.lbhdc.org/video.html.

Additionally, between 1991 and 2008, the City and the LBHDC partnered with Habitat for Humanity (Habitat) by providing land donations, and over $700,000 in the form of pre-development loans, and silent second mortgages. In return Habitat produced 32 single-family residences for-sale to households earning less than 50% of area median income. The City is currently working with Habitat on the construction of three new single-family homes and the rehabilitation of one single-family home for sale to very low-income households.

b. Management Structure

(1).Management Structure Description

The City of Long Beach has 72 employees in 4 key Bureaus in the Department of Community Development. The Bureaus and Divisions that will be directly involved in the implementation of NSP2 are the Housing Services Bureau, Neighborhood Services Bureau, Code Enforcement Division, and Administration Division. See attached Organizational chart with key names and positions managing NSP2 activities.

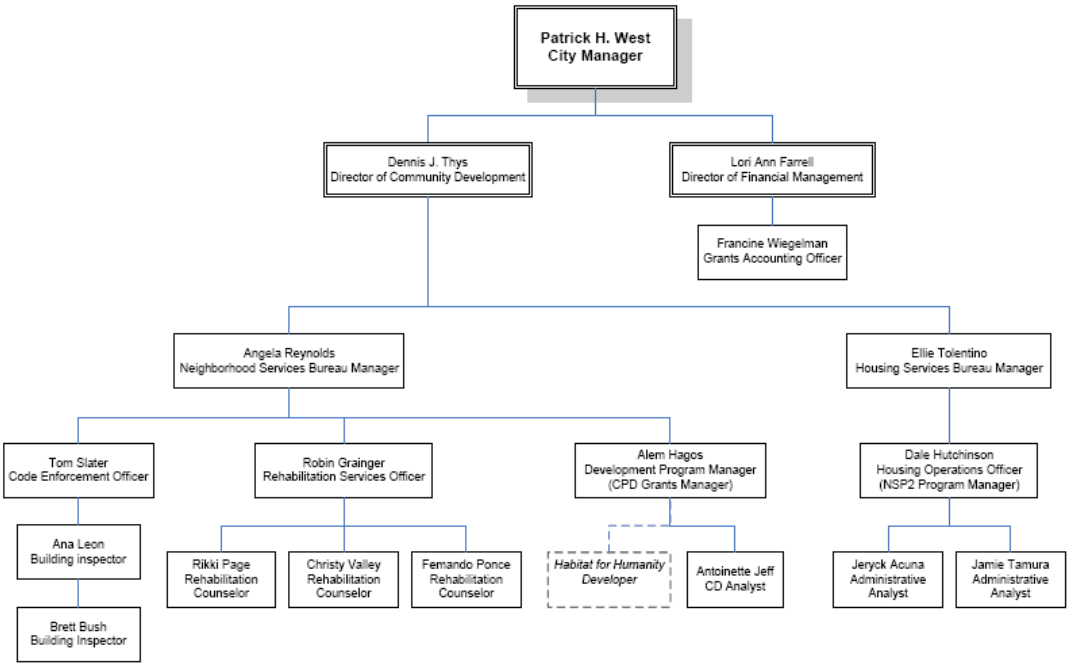
The Housing Services Bureau (HSB) will oversee the administration of the financing mechanism for the purchase and redevelopment of foreclosed properties. They will administer the establishment of waiting lists for eligible households to purchase foreclosed homes, provide program marketing and

informational meetings for the public, conduct lender and realtor trainings, confirm the income eligibility of qualified applicants, establish partnerships with mortgage lending institutions to provide first trust deed mortgage loans to qualified applicants, establish partnerships with local realtors that specialize in foreclosed properties (especially those that concentrate in HUD, Fannie Mae, and Freddie Mac foreclosed properties), and coordinate the inspections of foreclosed homes being sold to income eligible households. Key personnel in this Bureau are Ellie Tolentino, Housing Services Bureau Manager who is responsible for oversight of all Bureau activities; Dale Hutchinson, Housing Operations Officer who is responsible for oversight of the financing mechanism activities, including NSP2 training for applicants, realtors, and lenders; and Jeryck Acuna, who is responsible for buyer eligibility verification and case management.

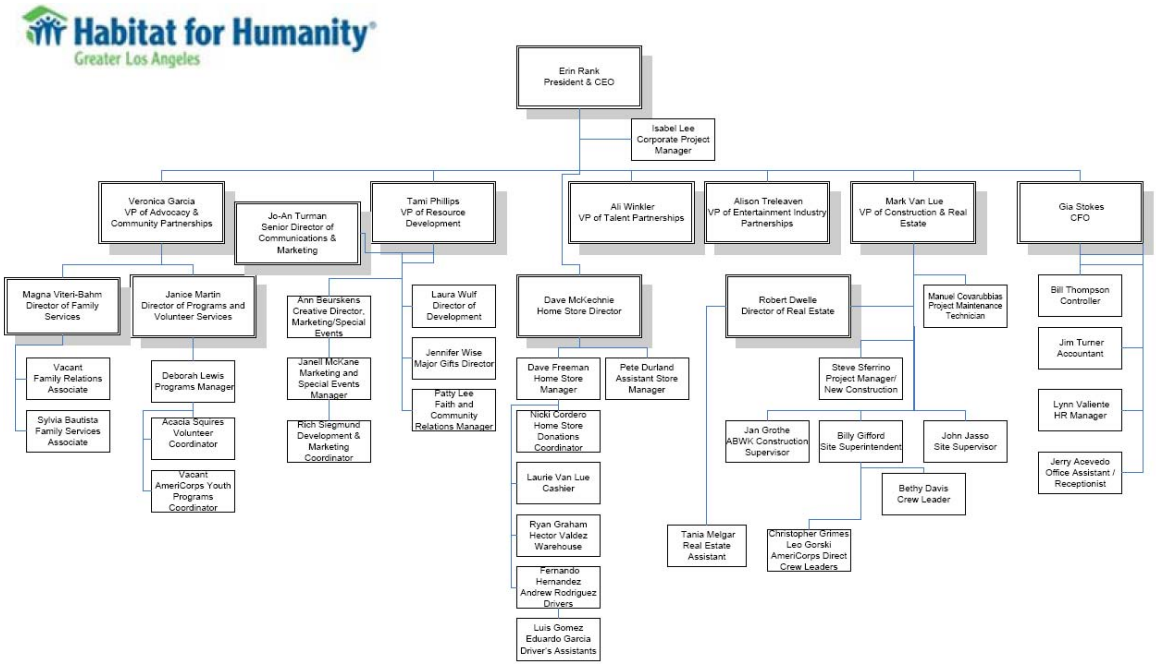
The Neighborhood Services Bureau (NSB) will oversee Habitat, the developer responsible for the acquisition, rehabilitation, and resale of foreclosed and abandoned properties to income-eligible households. NSB and HSB staff will work together to administer the inspection and rehabilitation of homes purchased by low-, moderate- and middle-income households, and provide project management services for homes that require rehabilitation. Additionally, NSB staff will oversee and administer the NSP2 budget and expenditures, including the Disaster Recovery Grant Reporting System, project and activity set-up, drawdowns, and quarterly reporting. NSB staff will also partner with the City's Department of Financial Management to provide internal audit functions to assist with the examination of program operations and management and provide feedback to program managers. Key personnel in this Bureau are: Angela Reynolds, Neighborhood Services Bureau Manager; Robin Grainger, Rehabilitation Services Officer; Tom Slater, Code Enforcement Officer; and Alem Hagos, CPD Grants Manager.

Dennis J. Thys, Director of Community Development, oversees the activities of the Bureaus.

City of Long Beach
NSP2
Organization Chart



Habitat for Humanity (Habitat) of Greater Los Angeles has 42 employees in six key departments. The departments that will be directly involved in the implementation of NSP2 are Construction/Real Estate, Advocacy/Community Partnerships, Finance and Executive Leadership.



Key Habitat staff and their specific roles and responsibilities for the day-to-day management of the proposed activities are as follows:

The Construction and Real Estate Department will act as developer and General Contractor. They will oversee the acquisition of homes in target areas, develop the scope of work, timeline and budget for each property, negotiate contracts with subcontractors, oversee construction, and assist each buyer with escrow closing including document reparation. This department also serves as property manager of each site while owned by Habitat. Key personnel in this area are Mark Van Lue, Vice President of Construction and Real Estate who is responsible for oversight of all the functions listed; Robert Dwelle, Director of Real Estate who handles acquisition and sale of the units; and Steve Sferrino, Project Director who handles scope, budget, timeline, subcontracts, and property management.

The Advocacy and Community Partnerships Department engages skilled and unskilled volunteers to assist with the rehabilitation of homes and finds buyers and readies them for homeownership. They also serve as the point of contact with each of our partner cities. They will oversee the engagement and training of thousands of volunteers to assist with our work, ensuring they have proper training, leadership, safety briefings and equipment. This department also serves as the homebuyer liaison, conducting orientations, lender meetings, homebuyer education, and providing mentorship through the escrow process. Additionally, they will negotiate relationships with partner cities, including grant agreements, selection of target areas for revitalization under NSP, and support of key City officials and staff. Key personnel in this area are: Veronica Garcia, Vice President of Advocacy and Community Partnerships who is responsible for oversight of all the functions listed; Janice Martin, Director of Programs who handles volunteer recruitment, training and engagement; and Magna Viteri Bahm, Director of Family Services who handles buyer identification, education, orientation and case management.

The Finance Division will be primarily responsible for fiscal oversight of the grant and each individual project activity under the grant. They will oversee project budgets and expenses, establish appropriate accounts to segregate funds as needed, create financial reports and oversee audits. They serve as the liaison to the organizations finance committee who review monthly financials. They will also provide oversight of the mortgages created upon sale to qualified buyers. Key personnel in this area are: Gia Stokes, Chief Financial Officer who is responsible for oversight of all the functions listed; Bill Thompson, Controller who handles monthly financial reports, audits and mortgage tracking; and Lynn Valiente, Director of Human Resources who handles hiring evaluation and human resource activity for all the employees engaged under this contract.

Erin Rank, President and Chief Executive Officer, will oversee the successful completion of all activities under the NSP award. She interacts with City officials in each partner City, including the Mayor, City Council and City staff to develop partnerships. She reviews major contracts awarded under the grant. She will

negotiate with lenders to provide loan products to NSP buyers, and engage major local REALTOR groups in the acquisition and sale of units. She will also play a key role in raising leveraged funds for the program. One other key person in this area is Isabel Lee, Corporate Programs Manager, who coordinates reporting, collaboration between partners, sets key project management meetings and ensures overall project timelines are being met.

(2).References

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presstelegram.com

LB house buyers get new help

HOMES: One program will offer second loans, while federal aid will allow the purchase, repair and sale of abandoned residences.

By Paul Eakins, Staff Writer

Article Launched: 12/21/2008 09:53:25 PM PST

LONG BEACH - Like most of the country, Long Beach has seen homes left foreclosed and abandoned and people left homeless as the economy plummeted.

But two new housing programs will help city officials put more Long Beach residents in homes and eliminate some of the blight of vacant houses.

On Oct. 1, the city implemented a second-

mortgage assistance program that gives low- and middle-income first-time homebuyers a second loan on top of one from a standard lender.

"The city as a whole, and specifically the (City) Council, wants to increase the percentage of homeownership in Long Beach," said Dale Hutchinson, housing operations officer for the Housing Services Bureau.

Nationally, homeownership is at about 60 percent, with 40 percent of households renting. In Long Beach, those percentages are reversed, according to U.S. Census data.

Hutchinson said homeownership can give residents a bigger stake in their neighborhoods, often reducing crime and improving communities.

"It helps bring neighborhoods up," Hutchinson said.

Chances at second loans Hutchinson said the second-

mortgage program provides up to $275,000 in 30-year, zero percent interest rate home loans, though only within the city's redevelopment areas. These areas in the central, west, north and downtown parts of Long Beach are targeted with special funding for development and infrastructure improvements.

Under the second-mortgage program, which is funded by the Long Beach Housing Development Co., residents interested in buying a home must go to one of several participating lenders where they can find out whether they are eligible for a second mortgage from the city.

Buyers can then shop for their home and apply for a loan with the lender. If approved, they can apply for a second mortgage loan through the city if the initial loan didn't cover the price of the home.

Not just any home will be accepted for a city loan, Hutchinson said. City code enforcement officers must inspect the property first.

presstelegram.com

"Obviously, it wouldn't behoove us to buy a property that could fall down tomorrow," Hutchinson said.

If the owners sell the property within the 30-year lifetime of the loan and make a profit, they must share a percentage of the profit with the Housing Development Co.

So far, Long Beach hasn't issued any second mortgage loans, but 126 applications have been submitted, Hutchinson said.

The second mortgage program replaces a previous down-payment assistance program that ended in 2005, he said. That program provided up to a $10,000 grant for the down payment on a home, but it became less effective as home prices skyrocketed, Hutchinson said.

Eliminating blight

In a separate housing initiative, Long Beach is receiving

$5 million from the federal Housing and Economic Recovery Act that Congress passed in July so it can buy, fix up and resell abandoned homes, according to Dennis Thys, director of Community Development.

"We have to acquire the properties, rehabilitate them and make them available for families making not less than 120 percent of median," Thys said.

Thys said the program will focus on properties in three areas particularly affected by the foreclosure crisis: the neighborhood around Washington Middle School on Cedar Avenue in West Long Beach, the northwest corner of the city near Compton, and in Central Long Beach.

The city's housing plan, which has been submitted to the federal Department of Housing and Urban Development for approval, includes not only reselling restored homes, but also buying vacant or foreclosed multifamily buildings and giving them to nonprofit agencies to house Long Beach's poorest families, Thys said.

He said that 22 housing units are expected to be produced under the program, and that if it's successful, more federal funds may be forthcoming.

In the meantime, the city has been actively monitoring vacant properties since the council approved a new vacant property ordinance six months ago to stem the deterioration of properties.

"We are very proactively monitoring every property that's gone into foreclosure," Thys said.

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The price for home is right

HOUSING: Sixty-four families in the West Gateway area celebrate the new opportunity.

By Greg Mellen, Staff Writer

Article Launched: 07/08/2008 09:55:58 PM PDT

Long Beach Vice Mayor Bonnie Lowenthal addresses a crowd during the grand opening of the Puerto Del Sol affordable housing complex in Long Beach Tuesday. Resident Patricia Wright, without a home for years, called the new development "the overflow of God's blessing." (Scott Smeltzer/Staff Photographer)

LONG BEACH - For Sopana Sann, 22, affordable housing means a chance for his young family to gain its footing before beginning to climb to a more affluent lifestyle.

For Patricia Wright, a 57-year-old disabled grandmother, it means a chance to relax after fighting to survive through seven years of homelessness.

For 64 families in different stages of life, Puerto Del Sol offers a new beginning.

The affordable housing complex in the West Gateway development area officially opened its doors Tuesday as part of festivities celebrating Affordable Housing Week in Long Beach.

Sann is a student at Long Beach City College with a double major, a full-time job and a two-year-old baby girl.

Until just

Patricia Wright, a resident of Puerto Del Sol affordable housing, gets a hug from Deborah Fryman of Jamboree Housing Corp. at the complex's opening. (Scott Smeltzer/Staff Photographer)

recently he, his wife, Vemol So, and daughter, Kalyn, lived in an apartment with his mom and two brothers.

"Affordable housing means I can buy books, food and especially gas," Sann said.

"Now I can live independently, pay bills and save

presstelegram.com

for the future."

Money is still tight for the young family.

On an easel above the desk in Sann's apartment the word "Bills" is written in large letters, with different utilities and amounts listed beneath.

Sann would like to move into public administration possibly and his wife is studying to become a registered nurse.

Wright says she has lived in motels, on friends' couches and in the backs of cars over recent years. Now she and her son, who is also disabled, share a two-bedroom apartment.

She says when she told friends she had moved downtown, they asked if she was living under a bridge. But she has a ready reply.

"I am living the overflow of God's blessing," Wright says.

As part of the inaugural group of Puerto Del Sol residents, she says it will be up to her and others to set a positive example for future residents in the community.

For the 65 officials, politicians, city staffers and residents who showed up at the event,

Puerto Del Sol's opening represented the culmination of a five-year journey since developer Jamboree Housing began planning for the one-acre site.

Pat Brown, chairman of the Long Beach Housing Development Company, which paid for half of the complex using mostly Redevelopment Agency money, says Puerto Del Sol was worth the wait.

Like much of West Gateway, it has been a long time coming and was more costly than expected.

Although Jamboree Housing broke ground for the project in February 2005 and was slated to complete construction by the fall 2006, the project was plagued by early delays.

Laura Archuleta, president of Jamboree Corporation, says construction was delayed when lead paint and other contaminants were found in the ground.

She added that coincided with the aftermath of Hurricane Katrina, when construction costs spiked nationally.

Originally tagged as a $21.5 million project, Puerto Del Sol came in at $26.4 million.

The Long Beach Housing Corporation originally put in $9.4 million for construction, then had to issue another $2.4 million in bonds in July 2005.

The complex is four stories and comprises 64 two-, three- and four-bedroom townhouse-style apartments for families making 40 percent to 50 percent of local median household income.

As a result, a family of four making $37,900, which is 50 percent of the area median income, will pay $633 rent per month.

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Rents range between $599 and $799 per month.

Brown says he prefers to call it "workforce" housing because most of the families are wage earners.

All units include wiring for high-speed Internet, security systems, private balconies, appliances including ovens, dishwashers, refrigerators, disposals and microwaves carpeting and window coverings.

The complex has a community center with a kitchen, activity rooms and computer center.

Included are on-site resident services and programs including homework assistance and tutoring, consumer credit counseling, ESL classes, financial literacy and pre-employment counseling, as well as referrals to city and community services.

The city says some 1,000 tenant applications were turned in for Puerto del Sol before its doors even opened and all units have been filled.

Prospective tenants underwent credit and criminal checks, as well as home visits from the John Stewart Company, the property managers, before they were accepted.

While the rest of the West Gateway project, which includes market-rate housing, has faltered in the recent mortgage upheaval across the state, Archuleta said even in a down market, a complex like Puerto Del Sol draws plenty of interest from funding organizations.

According to Michael Massie, the housing development manager for Jamboree, Puerto Del Sol had seven levels of funding from federal, state, city and private sources.

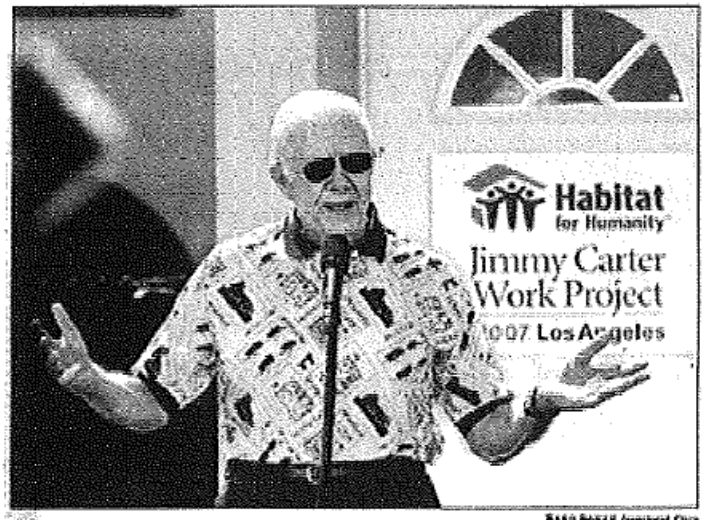
Long Beach's Affordable Housing Week continues today with a tour of affordable housing sites, a forum on Thursday and a pair of open houses on Friday.

Information is available by calling the Long Beach Housing Development Company at 562-570-6949.

greg.mellen@presstelegram.com , 562-499-1291

Habitat for Humanity:

Los Angeles Times Sunday, April 1, 2007



REED SAXON Associated Press

HUMANITARIAN WORK: *Former President Jimmy Carter announces that Los Angeles will be the host city for Habitat for Humanity's 2007 work project — building or repairing homes for the needy.*

Nonprofit to build 14 townhouses

Habitat for Humanity will turn a vacant lot into Vermont Village for low-income families.

By MARTHA GROVES
Times Staff Writer

For nine years, Efrain Pineda Funes, his wife, Lucia, and their four children have shoehorned themselves into a two-bedroom apartment in Koreatown.

Later this year, their housing picture promises to brighten considerably when they move into a new three-bedroom townhouse in South Los Angeles.

"We feel so excited," said Funes, who installs vehicle tracking devices for a living. "We never thought we'd qualify for this nice program."

The program is Habitat for Humanity's Jimmy Carter Work Project, an annual five-day event during which volunteers — including the former president and his wife, Rosalynn — build or repair houses for low-income residents.

At a news conference Saturday at a long-vacant corner lot on South Vermont Avenue at 18th Street, Carter announced that the project had selected Los Angeles as its 2007 host city.

Carter told a friendly crowd that he and his wife would return in late October to help transform the site into Vermont Village, with 14 townhouses and a children's playground.

They also will pound nails at a 16-home development in San Pedro. In addition, volunteers will fix roofs and make other repairs on 70 dwellings belonging to low-income families throughout Los Angeles.

Carter and his wife last built houses in Los Angeles in 1993, when they and hundreds of volunteers constructed 24 homes in Watts. He noted that the original residents have remained in those houses.

"Most people lucky enough to get into a Habitat house stay in them and pass them down," he said, adding that home ownership provides "a new life for them."

Since 1984, the Carters have spent a week each year building homes for Habitat in the United States, India, South Africa, the Philippines and elsewhere.

Last year, they ventured to New Orleans, where much of the housing stock had been decimated by Hurricane Katrina. They plan to return to New Orleans in May.

"Los Angeles is faced with a housing crisis that leaves many of our residents unable to reach the American dream of homeownership," said Mayor Antonio Villaraigosa, who joined Carter at the news conference. He said the city planned to contribute $2.1 million toward the nearly $3-million cost of the two projects; the state also will kick in funds.

Erin Rank, president and chief executive of Habitat for Humanity of Greater Los Angeles, said the median income of renter households in Los Angeles is about $33,000 and the median home price is an out-of-reach $333,100.

By contrast, Habitat plans to charge qualifying families $140,000 for their townhouses and give them 30 years to pay off the 0% interest-free mortgages.

"With property tax and insurance, families' monthly cost should come to about $600, Rank said.

Councilwoman Janice Hahn, whose district includes both projects, said she felt like her constituents had "won the lottery."

"When people own their own houses," she said, "the neighborhood improves, the community improves and kids do better in school."

Carter said he expected no lack of volunteers for the Oct. 28 to Nov. 3 construction work. He noted that Brad Pitt's appearance at last year's project near Mumbai drew so many participants that "we could hardly find our hammers."

Pitt, he added, plans to pitch in come October.

martha.groves@latimes.com

Press Telegram (Long Beach)

Long Beach Press-Telegram (CA)

May 16, 2006

GOODBYE FROM HABITAT

O'NEILL THANK YOU FAMILY'S HOME

Author: Kristopher Hanson
Edition: AM
Section: NEWS
Page: A01
Dateline: LONG BEACH
Estimated printed pages: 2
Article Text:

It was scheduled as a thank you to outgoing Mayor Beverly O'Neill for her commitment to revitalizing Long Beach, but nobody in the crowd gathered Monday for a home renovation project was more thankful than Gabino Nuez.

Nuez, his two daughters and son are the recipients of a Habitat for Humanity home-building project, dubbed the ``Mayor's Build'' in honor of O'Neill, which will allow them to move out of the tiny converted garage they currently occupy in North Long Beach.

near Fifth Street and Gaviota Avenue in Alamitos Beach. The city purchased the run-down residence, and Habitat plans to expand the lower level, add an elevator for son Antonio, remodel the interior, and convert two of the home's four single-car garages into living space. They also plan to paint and landscape.

Antonio, 16, is in a wheelchair after a car accident several years ago that claimed his mother's life. The family, which includes Gabino, Antonio, Lizbhet and Sandra, has been living in a small garage lacking insulation, with exposed plumbing and no storage space.

Work began at the new home Monday, and the Nunezes are expected to move in by October, said Kimball Diamond, Habitat vice president of construction and real estate.

The home is being built through volunteer labor provided by Habitat with funding from Home Depot, Downtown Long Beach Lions Club, Charter Communications, Southern California Edison, British Petroleum and Boeing Co.

O'Neill, a three-term mayor who oversaw the departure of the Navy, a downtown revitalization, expansion of the port, dropping crime and a housing boom, is leaving her post in July after 12 years. Barred from having her name placed on the ballot after two terms, the former Long Beach City College superintendent-president ran a successful write-in campaign in 2002.

Caption:

Gabino Nuez, left, and daughters Sandra and Lizbhet join Home Depot helpers as Habitat for Humanity begins a renovation project for their new home. It will offer space for the whole family, including an elevator for their brother Antonio, who is in a wheelchair. The Downtown Long Beach Lions Club and several local firms, including Home Depot, contributed to the project.

Gabino Nuez helps knock down a garage in a ceremony Monday to mark the start of a Habitat for Humanity-built home for his family. Plans for the residence include an expanded lower level, an elevator for son

GRID Alternatives
969 Sandhill Avenue, Carson, CA 90746 • 310-324-8146 • www.gridalternatives.org

June 26, 2009

Veronica Garcia
Vice President of Advocacy and Community Partnerships
Habitat for Humanity of Greater Los Angeles
17700 S. Figueroa Street
Gardena, CA 90248

Dear Ms. Garcia:

This letter is to express GRID Alternatives' strong support for your application for Neighborhood Stabilization Program 2 (NSP2) funding under the American Recovery and Reinvestment Act of 2009. We are committed to partnering with Habitat for Humanity of Greater Los Angeles to leverage the existing statewide Single-family Affordable Solar Homes (SASH) Program to provide solar electric systems at low or no cost to eligible homeowners who are part of your NSP2 Program.

GRID Alternatives will educate NSP2 homeowners on solar power and energy efficiency, and help them apply for the SASH Program which offers high rebates for solar electric systems to low-income homeowners. We will also be the solar contractor for eligible projects and provide training to homeowners who own a system. Through SASH rebates, GRID Alternatives' ability to secure discounted equipment pricing, and our commitment to providing cost-effective solar electric systems to low-income homeowners, systems with a value of $6,000 to $25,000 are available to qualified homeowners for free or up to $5,000. These systems could help reduce each household's monthly electricity bills by up to 75%, potentially saving homeowners well over $10,000 over the lifetime of the system. This continuous source of savings will help keep housing costs affordable in the long term.

GRID Alternatives appreciates the positive, on-going partnership with Habitat. We have installed 30 solar electric systems for partner families in partnership with your affiliate and have continued to work together. We have plans to continue our partnership to be able to serve both existing partner families as well as future ones through Habitat's new construction projects. It would be our great pleasure to participate in the HUD Neighborhood Stabilization Program and help Habitat fulfill its vision of rehabilitating homes and redeveloping properties to meet local housing needs.

Very sincerely,

Susie Chang

Regional Director

Generating Renewable Ideas for Development Alternatives

3. Factor 3 – Soundness of Approach

a. Proposed Activities

(1).Briefly describe the overall stabilization program

The City proposes to use NSP2 funds to carryout our neighborhood revitalization and stabilization efforts through the following CDBG eligible activities. These activities will expand on efforts currently carried-out through the City's Second mortgage Assistance Program as well as the City's NSP1 activities. 1) Activity A - Financing mechanisms to assist low-, moderate-, and middle-income homebuyers with the purchase of foreclosed properties, and 2) Activity B - Purchase and rehabilitate abandoned and foreclosed properties and resell to households earning less than 50% of area median income.

These programs are in compliance with the following NSP-eligible uses:

Activity	NSP Eligible Use	CDBG Citation
A	Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers.	CDBG – 24 CFR 570.201(n) direct homeowner assistance (for Silent Second Loan and downpayment assistance) And 24 CFR 570-202(b) rehabilitation grant
B	Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or develop such homes and properties.	CDBG – 24CFR 570.201 Acquisition Disposition CDBG –24CFR 570.202 (b) Rehabilitation
Administration	Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers.	CDBG – 24 CFR 570.206

National Objectives: Must be a national objective benefiting low, moderate and middle income household, as defined in the NSP2 Notice.

Program Outcomes

- Stabilize current decline of housing values in the City (*Baseline: current average value in targeted areas - $333,052*)
- Reverse the current decline of homeownership in the City by creating at least 111 homeowner households (*Baseline: 48% of the housing stock in the targeted area is owner-occupied.*)
- Create/retain several hundred construction jobs as a result of the rehabilitation, at minimum, 111 residential properties (*Baseline: For every $35,000 expended on housing rehabilitation, one job will be created/ retained.*)
- Remove, at minimum, 111 residential units from foreclosure
- Focus resources in neighborhoods most severely impacted by vacant and foreclosed homes
- Teach new homeownership skills to, at minimum, 111 households
- Create additional homeownership and ensure longest feasible continued affordability by sustaining the NSP2 Program after the grant's funds are expended, by using local, State, and other Federal housing grants.
- Stabilize and preserve housing stock by ensuring all assisted units are maintained to health, building and safety codes.

Every home purchased with the assistance of NSP2 funds under Activity A will be required to undergo a code inspection, and if built prior to 1978, a lead inspection as well. City staff will conduct these inspections with funding from the City's local 20% tax increment set-aside funds.

Activity A goals are currently achieved through a Second Mortgage Assistance Program (SMAP). The SMAP provides silent second mortgage assistance loans to first-time homebuyers who purchase eligible homes in Long Beach. These loans are funded with federal HOME, state CalHome, and local 20% tax-increment set-aside funds totaling $12 million. The SMAP has surpassed original estimates of interest in first-time homebuyers mortgage assistance products. Since October 2008, the SMAP has qualified 119 households who earn less than 120% of area median income (AMI). 34 households have closed escrow and another 27 are scheduled to close escrow by August 1st. Due to limited resources the City is unable to assist the remaining 58 approved households with purchase of their first home. However, with NSP2 **Activity A** funding, these households may have an opportunity to become first-time homebuyers.

The SMAP has surpassed our original estimates of interest in first-time homebuyers mortgage assistance products. Since October 2008, the SMAP has qualified 119 households who earn less than 120% of AMI. 34 households have closed escrow and another 27 are scheduled to close escrow by August 1, 2009. Due to limited resources, the remaining 58 approved households could not be assisted. All resources have been committed to borrowers that have opened escrow on eligible properties. However, with NSP2 funds, these 58 households

and more will have an opportunity to become first-time homebuyers through Activity A financing mechanisms.

Activity B goals are achieved by the City's Neighborhood Services Bureau, though the purchase, rehabilitation, and resale of foreclosed or abandoned properties with $5 million of NSP1 funding. To date, the City has placed offers on 10 single-family properties 9 offers have been accepted and 7 have closed escrow. Rehabilitation efforts are underway on the 3 properties that have closed escrow. Property inspections and rehabilitation efforts will commence on the other 6 properties upon the close of escrow. These properties will be sold to households that were income-qualified through the City's SMAP but were unable to participate in the program due to lack of funding.

Activity A and B programs will result in stabilization of the housing market over a 36-month period through an increase in the percentage of owner-occupied homes, an increase in the number of code-compliant homes, and a decrease in the number of absentee landlord homes. Additionally, moving income qualified renters into homeownership can assist in achieving long-term economic benefits. The household populations served by these activities often spend between 50% and 80% of their income towards their monthly housing costs leaving little or no disposable income. Households that participate in these activities will have housing costs ranging from 30% to 35% of their incomes, resulting in more disposable income to invest in their communities by shopping and dining at local stores and restaurants.

In addition to furthering the City's revitalization and stabilization efforts already underway by providing capital needed to continue successful existing programs, NSP2 funding will augment the revitalization efforts in several NSP2 Census Tracts in progress by the Housing Services Bureau of the City's Department of Community Development. The combination of the NSP2 funded and existing revitalization efforts will accelerate the overall stabilization and improvement efforts of the City, resulting in an increase in code compliant homes, a reduction in the housing cost burden of households earning less than 120% of AMI, an increase of owner-occupied homes in areas most affected by the housing crisis, and a decrease in the number of absentee landlord homes.

In 2004 the City of Long Beach adopted a Housing Action Plan (HAP), which builds upon the policies outlined in the City's 2000-2005 Housing Element and 2010 Strategic Plan. A copy of the HAP can be located at http://www.lbhdc.org/pdf/HAP.pdf. The HAP identified three "Focus" areas in Long Beach with the greatest need for neighborhood revitalization and stabilization: Central, Washington School, and North King School Area. These focus areas were established based on several factors including poverty rates, overcrowding, substandard conditions, crime statistics, and absentee ownership. The Focus areas are home to over 33,000 residents and 9,489 housing units.

To carryout the goals of the HAP, the City began the revitalization and stabilization process in 2005. Since that time, the City has invested $14 million

of Redevelopment Housing Bond proceeds in the acquisition of 22 blighted multi-family properties. These properties are in the redevelopment stage and when complete will be rented and sold to households earning no more than 120% of AMI.

Following is a list of the Census Tracts included with this application that correspond with a City of Long Beach HAP Focus Area:

Census Tract	HAP Focus Area:
573202	Central
570401	North King School
575401	Washington School
575402	Washington School

(2).Uses of Funds and Firm Commitments

(a).NSP Fund Use

NSP2 funds will be used by the City and its consortium partner, Habitat, to carry out financing mechanisms for the redevelopment of foreclosed properties and the purchase, rehabilitation, and resale of foreclosed and abandoned properties in accordance with the following schedule.

The City will carryout the homeownership financing mechanisms and Habitat will carryout the purchase, rehabilitation, and resale activities.

(b). Proposed Activity Description

Activity	# of Units	Income Leve	Acq/Rehab/ Resale NSP2 Funded	Mortgage Assistance NSP2 Funded	Rehab NSP2 Funded	Downpmt Assistance Grant - NSP2 Funded	TOTAL NSP2 Funds	Estimated NSP2 Budget	Leverged Funds	Unit	Total Leverged Funds
A									**Rehab CalHome Funded**		
Homeowernership Financing Mechanisms	51	Low 51-80% AMI	$0	$200,000		$10,000	$210,000	$10,710,000	$29,412	51	$1,500,000
Homeowernership Financing Mechanisms	24	Middle 81-100% AMI	$0	$77,541	$30,000	$10,000	$117,541	$2,820,980			
Homeowernership Financing Mechanisms	11	Moderate 101-120% AMI	$0	$45,000	$30,000	$10,000	$85,000	$935,000	**Borrower Downpmt**		
Total Homeownership Financing	**86**							**$14,465,980**	$2,616	86	$225,000
B									**Private Nonprofit**		
Purchase, Rehabilitate Foreclosed and Abandoned Properties	**25**	**Very-Low 50% AMI**	**$222,560**				**$222,560**	**$5,564,000**	$9,000	25	$225,000
Administration 10%							**$2,220,000**	**$2,220,000**			
Total NSP2 Grant	**111**							**$22,249,980**			**$1,950,000**

Under the homeownership financing mechanisms, the City will provide first-time homebuyers with a combination of second mortgage assistance loans, rehabilitation loans and grants, and downpayment assistance grants.

The NSP2 funded second mortgage assistance loans will be for a 30-year term. They will be interest free, with no monthly payments. However, should the homeowner sell or otherwise transfer the property prior to the 30-year period, contingent deferred interest, in the form of equity share may apply to the net proceeds of the sale. The principal amount of the loan will be due and payable after 30 years.

With NSP2 funding, the City, in partnership with Habitat for Humanity will continue their revitalization and stabilization efforts through the purchase, rehabilitation and resale of homes to families earning less than 50% of area median income. Using their very successful revitalization model, they will provide a comprehensive plan that includes full service foreclosed and abandoned home redevelopment. Habitat will identify and acquire properties, perform assessments, develop budgets, select buyers, perform rehabilitation work (buyers will contribute of sweat equity). These homes will be sold to the qualified buyers in an amount not to exceed the total cost of acquisition and rehabilitation. Buyers will obtain either 30-year fixed-rate mortgages through a private lender or a zero interest 1st Trust Deed loan using NSP2 funds. NSP2 funds will remain in the project to finance the gap between the sales proceeds and the borrowers 1st Trust Deed mortgage loan. Sales proceeds

from private mortgages and buyers payments from NSP2 funded mortgage loans will become NSP2 Program Income (PI) and will be reinvested in the program to finance the next unit.

(c).Fund Commitment Status

In 2009, the State of California Department of Housing and Community Development awarded the City of Long Beach a $1.5 million CalHome grant, to be used for the rehabilitation of single-family homes. The City has 36 months in which to spend these funds.

(d). Demolitions and Preservation

The City has no plans to use NSP2 funds for demolition or preservation purposes.

b. Project Completion Schedule for Activity A and B

Homeownership Financing Mechanism – Activity A:

Completion Schedule for Activity A — **City of Long Beach**

		Quarters											
Key Task	**Units**	**1-3**	**4-6**	**7-9**	**10-12**	**13-15**	**16-18**	**19-21**	**22-24**	**25-27**	**28-30**	**31-33**	**34-36**
Community Outreach and Marketing	X	X	X										
Identify, Train, and Certify Lenders	X	X											
Conduct Realtor Trainings	X	X	X										
Conduct Buyer Trainings	X	X	X										
Accept and Review Applications	86	30	25	25	6								
Eligible Applicants Open Escrow	86	15	20	20	12	11	8						
Environmental Impacts and Code Inspections Conducted	86	13	18	18	11	10	8	8					
Rehab Estimates Completed	86	12	17	18	11	10	7	7	4				
Homebuyer financing arranged	86	10	16	17	11	10	7	7	4	4			
Escrows Close	86	10	16	17	11	10	7	7	4	4			
Rehab completed	86	5	12	13	11	11	8	8	6	6	6		
Total		5	17	30	41	52	60	68	74	80	86		
Percent Units Completed Cumulative		6%	20%	35%	48%	60%	70%	79%	86%	93%	100%		

Acquisition, Rehabilitation and Resale to Qualified Households – Activity B:

Completion Schedule for Activity B

		Quarters											
Key Task	Unts	1-3	4-6	7-9	10-12	13-15	16-18	19-21	22-24	25-27	28-30	31-33	34-36
Houses identified for rehab	25	5	5	5	2	2	2	2	2				
Houses appraised	25		5	5	5	2	2	2	2	2			
Houses for rehab acquired	25		5	5	5	2	2	2	2	2			
Environmental impacts conducted	25		5	5	5	2	2	2	2	2			
Rehab estimates completed	25		5	5	5	2	2	2	2	2			
Permits obtained	25			5	5	5	2	2	2	2	2		
Houses rehabbed	25			5	5	5	2	2	2	2	2		
Homebuyers selected and trained	25			5	5	5	2	2	2	2	2		
Hombuyer financing arranged	25			5	5	5	2	2	2	2	2		
Rehabbed houses sold	25			3	5	5	2	2	2	2	2	2	
Total		5	25	48	47	35	20	20	20	18	10	2	0
Percent Units Completed		2%	10%	19%	19%	14%	8%	8%	8%	7%	4%	1%	0%
Cumulative		2%	12%	31%	50%	64%	72%	80%	88%	95%	99%	100%	100%

Post-Purchase Activities:

The City will utilize its Affordable Housing Monitoring Division staff to provide post-purchase annual owner-occupancy verification reviews. Additionally, our first-time homebuyer assistance program staff will assist clients with their post-purchase needs, such as loan payoffs requests and equity sharing calculations.

c. Income Targeting for 120% and 50% of Median

The City will ensure that 100% of NSP2 funds will be used to benefit individuals and households with incomes below 120% of area median income (AMI). In addition, at least 25% of NSP2 funds will be used to benefit individuals and households with incomes below 50% of AMI.

Households earning between 51% and 120% of AMI will be assisted through the Second Mortgage Assistance Program (SMAP). The homeownership needs of households earning less than 50% of AMI will be assisted through the acquisition/rehabilitation, and resale efforts of Habitat for Humanity.

d. Continued Affordability

To ensure the continued affordability of projects funded by NSP2, affordability covenants will be recorded against each property for a 30-year period. Sales of homes prior to the 30-year period will be subject to the recapture of the NSP2 investment, plus an equity share based upon the appreciation in the homes values from the date of purchase to the sale date. Additionally, the Monitoring Division of the City's Housing Services Bureau will annually review these properties to ensure compliance with the occupancy and other post-purchase requirements.

e. Consultation, Outreach, and Communication

In developing the Action Plan for NSP1 funding, the City reviewed data from the Comprehensive Housing Affordability Strategy (CHAS), First American CoreLogic and DataQuick to identify those areas with the greatest need for revitalization and stabilization. In accordance with HERA requirements the City considered areas with 1) Greatest percentage of home foreclosure; 2) Highest percentage of homes financed by a sub prime mortgage related loan; and 3) Areas identified as the most likely to face a significant rise in the rate of home foreclosures. Evaluation of this data identified the North and Central areas of Long Beach most at risk of becoming blighted due to large numbers of vacant foreclosures.

Additionally, in 2004 the Long Beach City Council adopted a Housing Action Plan (HAP), which details a five-year plan to focus resources to three areas within the City (Central, North, and the Washington area) that were identified as most in need of revitalization and stabilization. The HAP builds upon policies contained in two key City planning documents adopted by the City Council: the 2000-2005 Housing Element and the Long Beach 2010 Strategic Plan.

The Housing Element is a component of the General Plan. It sets forth the City's housing goals, policies and programs to address identified housing needs, including regional growth needs adopted by the Southern California Association of Governments (SCAG). Incidentally, the California Department of Housing and Community Development recently certified the 2008-2014 Housing Element.

The 2010 Strategic Plan identifies the restoration of neighborhoods as the center of community life and the most important step Long Beach can undertake to build toward a positive future in the 21st century. The Strategic Plan provides the foundation for development of both the Housing Element and the HAP and sets forth the following principles:

- Build a strong network of healthy neighborhoods in Long Beach;
- Support neighborhood efforts to create beauty and pride by removing blight and providing high-quality and well-maintained public infrastructure, parks and public facilities in each neighborhood;
- Improve the quality and availability of neighborhood housing by addressing declining homeownership, deteriorating neighborhoods, and increasing overcrowding

The City will continue its current outreach and affirmative marketing efforts through the Long Beach Housing Development Company (LBHDC) using its Second Mortgage Assistance Program (SMAP) marketing model. In conjunction with the SMAP, the LBHDC partnered with select lenders, who provide comprehensive marketing efforts in a variety of ways, including; Bi-monthly buyer seminars that feature City programs targeted to first-time homebuyers; high-frequency outbound e-mail, letter and postcard campaigns to Long Beach-based realtors and citizens; bi-monthly realtor seminars; and in-office "lunch and learn" programs. Local realtors

also conduct community meetings designed to inform residents of homebuyer programs, such as the SMAP.

Additionally, the LBHDC promotes and markets programs through its' website at www.lhdc.org. as well as through its monthly public access TV show, "Inside Long Beach", which is produced in conjunction with the Long Beach Redevelopment Company (RDA) and Pacific Gateway Workforce Investment Network. To promote the City's affirmative marketing efforts, staff also attends various community meetings and activities in target neighborhoods to market programs to potential homebuyers who may otherwise be unlikely to apply for housing programs.

The communication of program design and opportunities will take place primarily through our select lenders, the LBHDC's website, the Inside Long Beach monthly TV show, and program staff by way of community informational meetings. All complaints are reviewed by City staff and responded to within 15 days.

f. Performance and Monitoring

The City of Long Beach Community Development Department, Neighborhood Services Bureau has been managing Community Planning and Development (CPD) grants from the inception of these grants. As such, the Bureau has extensive experience in developing and implementing monitoring policies and guidelines as they apply to CDBG, ESG and NSP1 Grants. The Bureau's CPD Grant Administration Division utilizes a highly trained and dedicated staff monitor that oversees and works closely with program/project coordinators to ensure production, accountability, and compliance of federal regulations as it relates to program administration. The grant monitor uses various standardized tools such as, checklists and program review sheets developed over the years and recently modified to incorporate new CPD's Outcome Performance Measurement (PM) framework when carrying out the monitoring process.

The staff monitor of the CPD Grant Administration Division will also coordinate management and monitoring of the NSP2 grant. Currently the Bureau is overseeing the implementation and administration of NSP1 grant and has been using DRGR to administer the grant.

Framework for Monitoring NSP2 Program Activities:
A NSP2 monitoring policy and procedure guide that includes an internal audit function will be developed and implemented. The guide will include:

- Standardized implementation procedure;
- Standardized procedures for reporting by program service providers;
- Standardized procedures for programmatic and financial monitoring frequency and reviews;
- A system that will assess all stages of implementation to identify potentially risky areas of program operations;

- Availability of staff and other resources to assist in meeting NSP2 regulations and compliance monitoring;
- HUD-required records and information to be collected;
- NSP2- qualified applicant waiting list procedure;
- Concise NSP2 program guidelines brochure for the public; and
- Comprehensive yet easy to understand NSP2 homebuyer application

Additionally, the Neighborhood Services Bureau will develop, follow, and incorporate monitoring standards and procedures regarding NSP2 program activities to ensure production and accountability, compliance, consistency with federal requirements, and to evaluate organizational and project performance. The City's NSP2 monitoring standards and procedures will include the following:

1) The City will monitor the NSP2-funded program activities to ensure that NSP2 funding is used in conjunction with nonprofit partners, in accordance with NSP2 regulations.

2) The City will monitor all activities undertaken with NSP2 funds to ensure that they are consistent with the City's NSP2 application.

3) The City will monitor the status of NSP2 grants to ensure the required deadline to expend NSP2 funds.

4) The City will monitor leveraging of NSP2 funds with local and nonprofit dollars as specified in its application.

5) The City will monitor NSP2 activities to ensure that the activities are eligible under the NSP2 Program and the associated costs are related NSP2 goals.

6) The City will monitor NSP2 activities to ensure implementation of the Office of Management and Budget (OMB) applicable directives and will use the current CPD grant financial structure that the City utilizes, including strict separation of duties that cross City Departments.

7) The City will monitor NSP2 activities to ensure compliance with the NSP2 rehabilitation activities including energy efficient rehabilitation.

8) The City will monitor NSP2 activities to ensure that NSP2 funds are used to assist households with incomes at or below 120% of the area median income, and to ensure that 25% of NSP2 funds are designated to households whose income is at or below 50% of area median income.

Internal Audit Function:

NSP2 grant administration will set up an internal audit group comprised of the NSP2 grant administration staff from the City's Neighborhood Services Bureau, project coordinators from the City's Housing Services Bureau, the Grant Accounting Officer from the City's Financial Management Department and coordinators from

participating nonprofit agencies. This group will meet monthly in the first quarter of NSP2 implementation stage and meet on a quarterly basis thereafter.

The internal audit group will assess potentially risky areas of program operations, share experiences, develop ideas, and make recommendations for program implementation changes as deemed necessary to strengthen program outcome.

4. Factor 4 – Leveraging Other Funds or Removal of Substantial Negative Effects

a. Leverage

The City, in this application, is providing evidence of firm commitment and specific amounts on the following non-NSP, non-CDBG and non-federal resources for investment in its proposed NSP2 programs.

Resource	Amount/Form	Use	Average Amount Per Unit
State- CalHome	$1,500,000 Differed Payment Loan	To augment NSP2 funds for rehabilitation of 60 foreclosed homes	$25,000
Estimated borrower downpayment contribution	$225,000	Financing – excluding downpayment assistance	$2,000 per unit
Private nonprofit*	$225,000 in-kind	To augment NSP2 funds for rehabilitation of 25 foreclosed homes	$9,000 in contributed materials

* As evidenced by firm commitment letter from Habitat

As evidenced in the commitment letter in Appendix 5, the City will invest a total of $1,950,000 in its proposed NSP2 activities. The City's leverage ratio to requested NSP2 funds is approximately 9:100.

b. Calculation of Removal of Negative Effects

The City, in its proposed NSP2 activities, plans to acquire and rehabilitate more than 25 properties in the identified target areas, hence requiring the calculation of removal of negative effects using HUD provided rubric:

Formula:

$$\frac{1.5(\text{sum total of vacant properties proposed to be addressed through acquisition and rehab}) + (\text{sum total of vacant properties proposed to be addressed through demolition})}{\text{Sum total of all vacant residential properties in target area}}$$

Computation:

$$\frac{1.5(111)+(0)}{1359} = 166.5:1359 = \text{Ratio is approximately } 1:8.16$$

Application #233604211

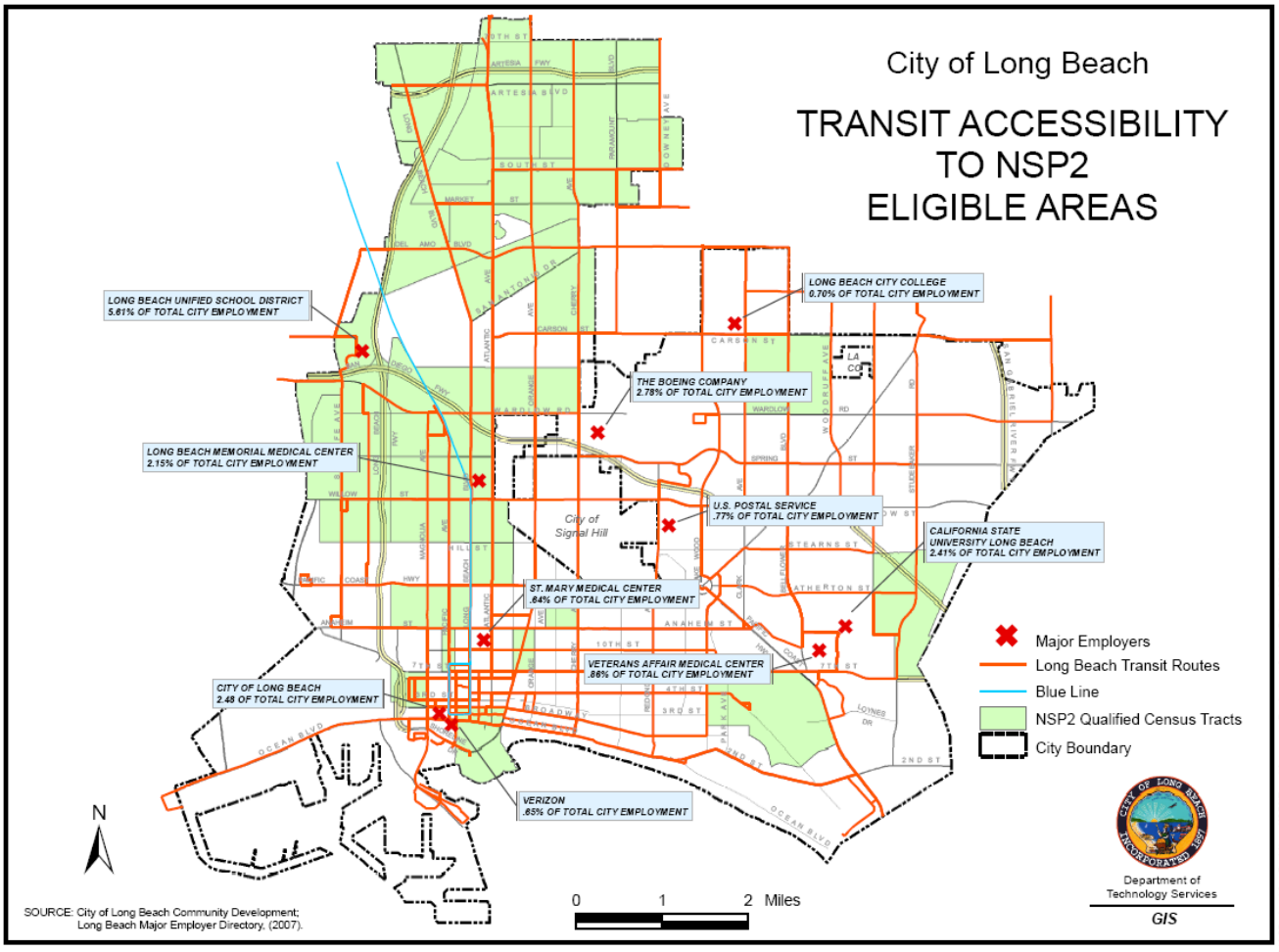
According to the ratio above, the City, through its proposed NSP2 acquisition and rehabilitation program, will remove 1 foreclosed and vacant property (blighted home) for every 8.16 vacant residential properties (both foreclosed and non-foreclosed) in the identified areas, in order to stabilize the targeted areas.

The data for computation of the above formula was obtained from “HUD Aggregated USPS Administrative Data On Address Vacancies". Please refer to Appendix 3 for data by census tract. http://www.huduser.org/DATASETS/usps.html

5. Factor 5 – Energy Efficiency Improvement and Sustainable Development Factors

a. Transit Accessibility

In Long Beach, about seven percent of employed persons depend on public transportation to go to work. However, according to 2000 Census data, 23 percent of the City’s elderly households (5,858) do not have access to a vehicle and must depend on public transit to get around town. As shown in the following map, nearly all areas of the City including all NSP2 eligible areas are within one-quarter mile of a transit route that has access to regional employment center. In addition, Long Beach Transit routes run seven days a week, in intervals of 15 minutes or less during rush hours, exceeding transit accessible definition as described in NSP2 notice.



Application #233604211

Long Beach Transit:
Public transportation in the City of Long Beach is provided primarily by Long Beach Transit. Long Beach Transit offers 38 bus routes that provide fast, reliable service to residents in air-conditioned comfort. All of Long Beach Transit's routes are wheelchair accessible and connect with the Metro light rail services to Los Angeles, El Segundo and Norwalk. The service also provides access to all of Long Beach's neighboring cities: Carson, Compton, Paramount, Bellflower, Artesia, Cerritos, Hawaiian Gardens, Norwalk, and Seal Beach.

Long Beach Transit is a leader in integrating new technology to improve the quality of life for the people in the communities it serves. The introduction of clean burning gasoline and electric hybrid buses is the most recent innovation to help the environment. The Agency's first order of 47 hybrid buses is now carrying passengers

The Long Beach Transit 47 E-Power hybrid buses exceed local, state and federal emissions requirements for the foreseeable future. They use up to 50 percent less fuel than diesel buses, get far better gas mileage than any other fuel option, and cost less over their lifetime than alternative-fuel buses, making them the cleanest most fuel-efficient, heavy-duty urban buses now available. The price tag for each hybrid bus is $550,000, but the E-Power bus will cost less to maintain, operate, and fuel than existing buses. In addition, E-Power buses require no expensive infrastructure modifications as CNG and LNG buses do. They also never need to be plugged in, but recharge as they travel their routes.

Metro Services:
The Los Angeles County Metropolitan Transportation Authority (Metro) provides public transportation services in Long Beach and to other communities throughout Los Angeles County, with linkages to Orange County.

Long Beach is the southern terminus for the Los Angeles Metro Blue Line rail corridor. Blue Line trains run from Long Beach City Hall to Downtown Los Angeles. An Amtrak Thruway bus shuttle starting in San Pedro, also serves the City with stops at the Queen Mary and Downtown Long Beach, before continuing on the Union Station in Downtown Los Angeles, and eventually ending in Bakersfield. Metro currently has two regional bus lines that serve Downtown Long Beach:

- Metro 60 runs from Downtown Los Angeles to Artesia Station via Long Beach Boulevard.
- Metro 232 runs from Downtown Long Beach to LAX via Sepulveda Boulevard.

b. Green Building Standards

The City of Long Beach is a leader in sustainable building practices as well as carbon reduction, i.e., a green fleet of City vehicles as well as a plan to "Green Port Operations".

The City has a Sustainable City Commission that has worked with the City Council to effect green building practices on City buildings as well as private developments (see Appendix 4, Rehabilitation Standards).

The Community Development Department has adopted additional green building and energy efficiency measures called "*Green-Lite*" for its HOME, NSP1, and Set-Aside funded housing rehabilitation activities. The City, in its use of NSP2 funds, will perform several small to medium scale home rehabilitations that will incorporate this green standard when appropriate.

The City's Green-Lite program, as described below, will incorporate energy efficient and sustainable materials to its NSP2 home rehabilitation in order promote and address the following energy efficient and environmental friendly concepts:

- Renewable Energy
- Energy Efficient Materials
- Water Conservation
- Healthy Homes

The City's Green-Lite program includes the following energy efficient and sustainable materials:

- Certified Wood
- Local/Regional Materials
- Fixture Reuse
- Low-Emitting Materials
- LOW VOC Paint
- Energy Star Appliances
- Low energy Lighting
- Low-E Windows
- Energy Efficient Materials
- Light Color Roof Shingles
- Recyclable Carpet
- Drought Tolerant Planting
- Low Water Irrigation
- Construction Waste Management
- Installation of infrastructure to accommodate future photovoltaic panels.

c and d. Reuse of Cleared Sites and Deconstruction

The City in its application is not proposing to use NSP2 funds for any demolition. All NSP2 projects will occur as rehabilitation of existing housing stock. However, any NSP2 rehabilitation activity that generates construction debris will comply with the City's Construction and Demolition Debris Recycling program (C&D) and Waste Management Plan (WMP). The City has (as described in the Office of Sustainability Division website: http://www.longbeach.gov/citymanager/citys_sustainability_programs/), in response to State-mandated waste reduction goals and as part of the City's

commitment to sustainable development, adopted an ordinance that requires certain demolition and/or construction projects to divert at least 60% of waste either through recycling, salvage, or deconstruction.

The C&D program, which took effect on November 5, 2007, aims to encourage permit applicants to recycle all C&D materials through a refundable performance deposit. This program also encourages the use of green building techniques in new construction and promotes reuse or salvaging of recyclable materials in demolition, deconstruction, and construction projects.

A Waste Management Plan (WMP) will now accompany the building permit application for any "Covered Project". The WMP must be completed and approved prior to permits being issued. The WMP details how the project will meet the 60% requirement.

At the conclusion of the project, a final report detailing the amount of reuse, recycling, and disposal actually generated from the project must be submitted and approved prior to the applicant receiving refund of the performance deposit. Projects that do not meet the 60% requirement may receive a partial refund in proportion to actual diversion.

e. Other Sustainable Development Practices

The City, when it is feasible in its NSP2 home rehabilitation, will require the Installation of infrastructure to accommodate future photovoltaic panels in order to encourage prospective owners to install solar panels by introducing them to other available federal, state, and private rebate programs.

6. Factor 6 – Neighborhood Transformation and Economic Opportunity

The City of Long Beach in its application certifies that all NSP activities are consistent with the following comprehensive plans:

a. City of Long Beach General Housing Element (GHE) Plan

(1).City of Long Beach (GHE)
http://www.lbds.info/planning/advance_planning/housing_element_update.asp

The Long Beach 2008-2014 Housing Element was updated and adopted in June 2009 as required by State law as a tool to guide communities in periodically considering and planning for present and future housing needs. The major funding sources for housing include: Redevelopment Set-Aside ($20 million annually, CDBG (approximately $1 million annually), HOME ($5.6 million annually), and ESG – Emergency Shelter Grants ($380,000 annually).

The Housing Element:

- Defines the special needs population, housing and neighborhood issues in Long Beach;

- Assesses the housing market and housing affordability factors;
- Assesses the City's current development regulations and practice for their impact on housing development;
- Articulates housing and neighborhood improvement goals and policies;
- Identifies how the City will meet specific Regional Housing Need Assessment (RHNA) targets for providing housing affordable to various households incomes; and,
- Establishes 2008-2014 housing development and neighborhood improvement programs with targeted objectives, timeframes, identified funding sources, and the City departments and Bureaus responsible for working together to see that the objectives are met.

(2).City's NSP2 Proposal Consistency and Effectiveness

The City's two proposed NSP2 programs will support the City in meeting the Housing Element planning goals set forth below:

- Intention of the City to guide population and economic growth in order to have an overall beneficial impact upon the City's quality of life;
- Future housing development will be focused in the Downtown and greater Downtown, along major transit corridors and within close proximity to major employment and activity centers;
- Long Beach views its existing housing stock as its greatest resource of affordable housing and will stimulate and support continued maintenance and reinvestment in that housing stock. It will take advantage of every available State and Federal program to make its housing affordable to its population, but it will not sacrifice long-term quality for short-term affordability in new or rehabilitated housing; and,
- Long Beach recognizes that strong neighborhoods are an essential building block to a citywide quality living environment, and will assist and support citizen efforts to maintain and strengthen their neighborhoods.

b. Southern California Association of Governments (SCAG) Regional Comprehensive Plan (RCP)

(1).SCAG'S RCP:
http://www.scag.ca.gov/rcp/index.htm

The RCP identifies voluntary best practices for local agencies to achieve a more sustainable future. The RCP presents a vision of how Southern California can balance resource conservation, economic vitality, and quality of life. The RCP identifies voluntary best practices to approach growth and infrastructure challenges in an integrated and comprehensive way. It also includes goals and outcomes to measure our progress toward a more sustainable region.

(2).City's NSP2 Proposal Consistency and Effectiveness:

NSP2 programs proposed under this application are clearly consistent with and increase the effectiveness of RCP objectives and goals in terms of creating affordable housing for area residents and balancing resource conservation, economic vitality, and quality of life. SCAG has developed a "blueprint" for urban areas by focusing on smart growth as a tool to achieve energy efficiency and carbon reduction.

The City's two proposed NSP2 programs will support the City in meeting the planning goals set forth by the RCP below:

- Provide adequate and affordable housing for our growing population.
- Produce new housing units that will provide an economic stimulus to the region through direct investment and new jobs.
- Promote improved jobs-housing balance throughout the region.
- Locate new housing near jobs, new employment centers near housing, and both housing and jobs near transit and other transportation corridors in order to shorten commutes and allow commuting options other than single occupancy vehicles.
- Reduce regional vehicle miles traveled (VMT), resulting in reduced traffic congestion, delay, and reduced air quality impacts.
- Reduced VMT will also lead to significant infrastructure cost savings.
- Improve social equity and environmental justice through revitalization of older suburban and inner-City locations, promotion of economic development in urban core areas, and enhancement of local property and sales tax revenues.

c. City of Long Beach 2005 – 2010 Five-Year Consolidated Plan:

(1).City of Long Beach 2005 – 2010 Five-Year Consolidated Plan:
http://www.longbeach.gov/cd/neighborhood_services/reports/default.asp

NSP2 proposed programs under this application are clearly consistent with and increase the effectiveness of the four housing priorities set forth in the 2005 – 2010 Consolidated Plan:

- Provide and preserve safe, decent and affordable housing for Long Beach households with the greatest need;
- Address severe overcrowding in Long Beach neighborhoods;
- Address substandard conditions;
- Encourage owner-occupancy; and
- Enhance neighborhood stability.

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Application Forms

SF 424 – Application for Federal Assistance

APPLICATION FOR FEDERAL ASSISTANCE | OMB Approved No. 3076-0006 | Version 7/03

2. DATE SUBMITTED	Applicant Identifier
3. DATE RECEIVED BY STATE	State Application Identifier
4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

1. TYPE OF SUBMISSION:

Application	Pre-application
☐ Construction	☐ Construction
☑ Non-Construction	☑ Non-Construction

5. APPLICANT INFORMATION

Legal Name: City of Long Beach, California	Organizational Unit:
	Department: Community Development Department
Organizational DUNS: 557398141	Division: Neighborhood Services Bureau/Housing Services Bureau
Address:	Name and telephone number of person to be contacted on matters involving this application (give area code)
Street: 444 West Ocean Boulevard, Suite 1700	Prefix: Mr. / First Name: Alem
City: Long Beach	Middle Name: S.
County: Los Angeles	Last Name: Hagos
State: California / Zip Code: 90802	Suffix:
Country: United States	Email: alem.hagos@longbeach.gov
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 95-6000733	Phone Number (give area code): 562/570-7403 / Fax Number (give area code): 562/570-5248

8. TYPE OF APPLICATION:

☑ New ☐ Continuation ☐ Revision

If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.)

Other (specify)

7. TYPE OF APPLICANT: (See back of form for Application Types)

C

Other (specify)

9. NAME OF FEDERAL AGENCY:
United States Department of Housing & Urban Development

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 14-256

TITLE (Name of Program): Neighborhood Stabilization Program 2 (NSP2)

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:
City of Long Beach, CA - Application for funds under the Neighborhood Stabilization Program 2 (NSP2) NOFA (Docket No. FR-5321-N-01)

12. AREAS AFFECTED BY PROJECT *(Cities, Counties, States, etc.):*
City of Long Beach, California

13. PROPOSED PROJECT

Start Date:	Ending Date:
12/01/2009	11/30/2012

14. CONGRESSIONAL DISTRICTS OF:

a. Applicant	b. Project
CA-37, CA-39, and CA-46	CA-37, CA-39, and CA-46

15. ESTIMATED FUNDING:

a. Federal	$ 22,249,980.00
b. Applicant	$ .00
c. State	$ .00
d. Local	$ .00
e. Other	$ .00
f. Program Income	$ .00
g. TOTAL	$ 22,249,980.00

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?

a. Yes. ☐ THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON

DATE:

b. No. ☑ PROGRAM IS NOT COVERED BY E. O. 12372

☐ OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?

☐ Yes If "Yes" attach an explanation. ☑ No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Authorized Representative

Prefix: Mr.	First Name: Patrick	Middle Name: H.
Last Name: West		Suffix
b. Title: City Manager		c. Telephone Number (give area code): (562) 570-6916
d. Signature of Authorized Representative		e. Date Signed: 7-13-09

Assistant City Manager

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

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Standard Form 424 (Rev.9-2003)
Prescribed by OMB Circular A-102

SF 424 – Survey on Ensuring Equal Opportunities for Applicants

SURVEY ON ENSURING EQUAL OPPORTUNITY FOR APPLICANTS

OMB NO. 1890-0014 EXP. 2/28/2009

Purpose: The Federal government is committed to ensuring that all qualified applicants, small or large, non-religious or faith-based, have an equal opportunity to compete for Federal funding. In order for us to better understand the population of applicants for Federal funds, we are asking nonprofit private organizations (not including private universities) to fill out this survey.

Upon receipt, the survey will be separated from the application. Information provided on the survey will not be considered in any way in making funding decisions and will not be included in the Federal grants database. While your help in this data collection process is greatly appreciated, completion of this survey is voluntary.

Instructions for Submitting the Survey: If you are applying using a hard copy application, please place the completed survey in an envelope labeled "Applicant Survey." Seal the envelope and include it along with your application package. If you are applying electronically, please submit this survey along with your application.

Applicant's (Organization) Name: City of Long Beach, California

Applicant's DUNS Number: 557398141

Grant Name: Neighborhood Stabilization Program 2 (NSP2) **CFDA Number:** 14.256

1. Does the applicant have 501(c)(3) status?

   ☐ Yes ☑ No

2. How many full-time equivalent employees does the applicant have? *(Check only one box).*

   ☐ 3 or Fewer ☐ 15-50
   ☐ 4-5 ☐ 51-100
   ☐ 6-14 ☑ over 100

3. What is the size of the applicant's annual budget? *(Check only one box.)*

   ☐ Less Than $150,000
   ☐ $150,000 - $299,999
   ☐ $300,000 - $499,999
   ☐ $500,000 - $999,999
   ☐ $1,000,000 - $4,999,999
   ☑ $5,000,000 or more

4. Is the applicant a faith-based/religious organization?

   ☐ Yes ☑ No

5. Is the applicant a non-religious community-based organization?

   ☐ Yes ☑ No

6. Is the applicant an intermediary that will manage the grant on behalf of other organizations?

   ☐ Yes ☑ No

7. Has the applicant ever received a government grant or contract (Federal, State, or local)?

   ☑ Yes ☐ No

8. Is the applicant a local affiliate of a national organization?

   ☐ Yes ☑ No

SF 424 Supplement

NSP2 Nonprofit Organization Qualification

Habitat for Humanity of Greater Los Angeles is a full service developer with 20 years experience in renovating and building new homes for sale to low and very-low income families. We are an affiliate of Habitat for Humanity International and have built or rehabilitated over 300 homes in Los Angeles County to date. In addition we are a mortgage lender specializing in loans the buyers earning 80% AMI and below, with a majority of buyers earning 60% and below AMI. Given that we specialize in lending to people who do not qualify for a market rate loan, we are proud that in our 20 year history our total foreclosure rate in 0.3% (one loan). We would like to partner with NSP Grantees to help implement the NSP program by utilizing the proven success of the Habitat model.

Habitat's Neighborhood Revitalization Initiative (NRI)

TRANSFORMING FORECLOSED AND REO PROPERTIES INTO AFFORDABLE HOMEOWNERSHIP OPPORTUNITIES

- Our goal is to serve families up to 50% area median income ("AMI") in Long Beach.
- We do not make a profit.
- We have deep knowledge of local housing markets that are hardest hit by the current housing crisis.
- Habitat provides homebuyers with interest free financing.
- Habitat has a proven track record of successfully administering HUD funds in compliance with program rules.

As foreclosed properties left vacant or abandoned are destabilizing communities across the country, and in record numbers in Los Angeles County, a growing inventory of real estate owned (REO) properties has increased Habitat for Humanity of Greater Los Angeles' focus on home rehabilitation. Through Habitat for Humanity's Neighborhood Revitalization Initiative (NRI), Habitat for Humanity of Greater Los Angeles will rehabilitate foreclosed and REO properties into affordable homes for purchase by low and very-low income families. Our goal is to increase the number of affordable homeownership opportunities throughout Los Angeles County and to alleviate the strain, caused by the foreclosure crisis, on cities and communities.

Management structure:
Habitat for Humanity of Greater Los Angeles has 42 employees in six key departments. The departments that would be directly involved in the implementation of NSP2 are Construction/Real Estate, Advocacy/Community Partnerships, Finance and Executive Leadership.

Key staff and their specific roles and responsibilities:
Our Construction and Real Estate Division will act as developer and General Contractor. They will oversee the acquisition of homes in target areas, develop the scope of work, timeline and budget for each property, negotiate contracts with subcontractors, oversee construction, and assist each buyer with escrow closing

including document preparation. This department also serves as property manager of each site while owned by Habitat. Key personnel in this area are Mark Van Lue, Vice President of Construction and Real Estate who is responsible for oversight of all the functions listed, Robert Dwelle, Director of Real Estate who handles acquisition and sale of the units, and Steve Sferrino, Project Director who handles scope, budget, timeline, subcontracts, and property management.

Our Advocacy and Community Partnerships Division engages skilled and unskilled volunteers to assist with the rehabilitation of homes and finds buyers and readies them for homeownership. They also serve as the point of contact with each of our partner cities. They will oversee the engagement and training of thousands of volunteers to assist with our work, ensuring they have proper training, leadership, safety briefings and equipment. This department also serves as the homebuyer liaison, conducting orientations, lender meetings, homebuyer education, and providing mentorship through the escrow process. Additionally, they will negotiate relationships with partner cities, including grant agreements, selection of target areas for revitalization under NSP, and support of key City officials and staff. Key personnel in this area are Veronica Garcia, Vice President of Advocacy and Community Partnerships who is responsible for oversight of all the functions listed, Janice Martin, Director of Programs who handles volunteer recruitment, training and engagement, and Magna Viteri Bahm, Director of Family Services who handles buyer identification, education, orientation and case management.

Our Finance Division will be primarily responsible for fiscal oversight of the grant and each individual project activity under the grant. They will oversee project budgets and expenses, establish appropriate accounts to segregate funds as needed, create financial reports and oversee audits. They serve as the liaison to the organizations finance committee who review monthly financials. They will also provide oversight of the mortgages created upon sale to qualified buyers. Key personnel in this area are Ms. Gia Stokes, Chief Financial Officer who is responsible for oversight of all the functions listed, Bill Thompson, Controller who handles monthly financial reports, audits and mortgage tracking, and Lynn Valiente, Director of Human Resources who handles hiring evaluation and human resource activity for all the employees engaged under this contract.

Our Executive Leadership, including Erin Rank, president and Chief Executive Officer, will oversee the successful completion of all activities under the NSP award. She interacts with City officials in each partner City, including the Mayor, City Council and City staff to develop partnerships. She reviews major contracts awarded under the grant. She will negotiate with lenders to provide loan products to NSP buyers, and engage major local REALTOR groups in the acquisition and sale of units. She will also play a key role in raising leveraged funds for the program. One other key person in this area is Isabel Lee, Corporate Programs Manager, who coordinates reporting, collaboration between partners, sets key project management meetings and ensures overall project timelines are being met.

Evidence of Tax Exempt Status

10/17/2005 12:36 FAX 513 263 3756 TE/GE CINTI 002/002

Internal Revenue Service

Date: October 14, 2005

HABITAT FOR HUMANITY INTERNATIONAL INC
SOUTH BAY LONG BEACH
% ERIN GARRITY RANK
4230 ATLANTIC ST 216
LONG BEACH CA 90807-2802 301

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:
Laura A. Botkin 31-08415
Customer Service Specialist
Toll Free Telephone Number:
877-829-5500
Fax Number:
513-263-3756
Federal Identification Number:
33-0416470
Group Exemption Number:
8545

Dear Sir or Madam:

This is in response to your request of October 14, 2005, regarding your organization's tax-exempt status.

Your organization is exempt under section 501(c)(3) of the Code because it is included in a group ruling issued to Habitat for Humanity International Inc., located in Americus, Georgia.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

Janna K. Skufca

Janna K. Skufca, Director, TE/GE
Customer Account Services

Habitat for Humanity®

Building houses, building hope

June 1, 2007

HFH of Greater Los Angeles
17700 South Figueroa St
Gardena CA 90248

Dear HFH of Greater Los Angeles,

This letter will confirm that HFH of Greater Los Angeles is an affiliate in good standing with Habitat for Humanity International and continues to be considered a subordinate under the group tax exemption umbrella of Habitat for Humanity International, Inc. ("HFHI") under section 501(c)(3) of the Internal Revenue Code.

The group exemption number assigned to HFHI by the IRS is 8545. This number may be provided to prospective donors, foundations and other grant organizations as they request it and is required on certain IRS forms.

In partnership,

Steve D. Sims
Associate Director of Field Operations
US Support Center
Habitat for Humanity International

U.S. OFFICE
toll free 877-HFHI-HELP
USSupportCenter@habitat.org

INTERNATIONAL HEADQUARTERS
121 Habitat St.
Americus, GA 31709-3498 USA
(229) 924-6935
toll free (800) 422-4828
fax (229) 924-6541
www.habitat.org

Consortium Agreement

CONSORTIUM AGREEMENT

This Consortium Agreement (this "Agreement") is made and entered into this **9Th** day of **July**, 2009, by and between the CITY OF LONG BEACH, a California municipal corporation, and HABITAT FOR HUMANITY OF GREATER LOS ANGELES, a California nonprofit corporation (collectively, the "Consortium Members").

WITNESSETH

WHEREAS, the Consortium Members desire to enter into their application for Neighborhood Stabilization Program 2 ("NSP2") funds;

WHEREAS, the Consortium Members are ready, willing, and able to enter into a consortium evidenced by this Agreement (the "Consortium");

WHEREAS, the Consortium Members desire to cooperatively implement program activities as described in their application for NSP2 funds; and

WHEREAS, the Consortium Members are ready, willing, and able to implement such activities;

NOW, THEREFORE, in consideration of the promises, and the mutual covenants and obligations herein contained, the parties agree as follows:

1. **BASIC OBJECTIVES:** The Consortium Members agree to work cooperatively in implementing program activities as described in their application for NSP2 funds in connection with the Notice of Funds Availability for NSP2 issued by the Department of Housing and Urban Development ("HUD") on May 4, 2009. A copy of the Consortium's application for NSP2 funds is attached hereto as **Exhibit A.**

2. **TIME OF PERFORMANCE:** This Agreement shall begin on the date executed by the parties and end on December 1, 2009, unless such time is extended by written agreement of the parties, executed in the same manner as this Agreement. The term of this Agreement and the provisions herein shall automatically be extended to cover any additional time period during which any Consortium Member remains in control of NSP2 funds or other NSP2 assets, including program income, resulting from the Consortium's NSP2 program.

3. **APPOINTMENT OF LEAD MEMBER**: The Consortium Members hereby appoint the City of Long Beach to serve as lead member of the Consortium ("Lead Member").

4. **RESPONSIBILITIES OF LEAD MEMBER:** The Lead Member assumes the responsibility of acting in a representative capacity for all Consortium Members as required by HUD in its Notice of Funds Availability for NSP2. The Lead Member further assumes responsibility for ensuring the Consortium's NSP2 program is carried out in compliance with all statutory and regulatory requirements applying to the use of NSP2 funds and in substantial compliance with the Consortium's NSP2 application.

5. **MAINTENANCE AND EXAMINATION OF RECORDS:** Each Consortium Member assumes the responsibility of maintaining such records as are required by HUD and as are necessary for the Lead Member to ensure compliance of the Consortium's NSP2 program with all applicable requirements and with the Consortium's NSP2 application. The Consortium Members agree that any duly authorized representative of the Lead member shall, until the expiration of five (5) years after the expiration of this Agreement, or such longer period as may be required due to an audit finding, upon reasonable notice, have access to and the right to examine any books, documents, papers and records of the Consortium Members, involving transactions related to the Consortium's NSP2 program.

6. **FUNDING AGREEMENTS**: Provided that the Consortium's NSP2 application is deemed fundable by HUD and the governing boards of each Consortium Member formally accept NSP2 funds and authorize execution of documents in connection therewith, Consortium Members hereby agree to execute a Consortium Funding Agreement, as required by the Notice of Funding Availability for NSP2 funds, no later than December 1, 2009.

7. **STATES, INDIAN TRIBES, AND UNITS OF GENERAL LOCAL GOVERNMENT**: Any consortium Member that is a state, and Indian tribe, or a unit of general local government is hereby authorized to assume all responsibility for environmental review, decision-making, and action for proposed projects within its jurisdiction on behalf of the Consortium in accordance with the requirements of 24 CFR Part 58.

IN WITNESS WHEREOF, the parties hereto enter into this Agreement.

APPROVED AS TO FORM
7-9, 2009
ROBERT E. SHANNON, City Attorney
By _____
RICHARD ANTHONY
DEPUTY CITY ATTORNEY

CITY OF LONG BEACH
By: _____ Assistant City Manager
Name: Patrick H. West
Title: City Manager
Date: 7-13-09

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

HABITAT FOR HUMANITY OF GREATER LOS ANGELES
By: _____
Name: ERIN G. RANK
Title: President & CEO
Date: 9-9-09

Disclosures

SF-LLL Disclosure of Lobbying Activities

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

Approved by OMB
0348-0046

1. Type of Federal Action:	2. Status of Federal Action:	3. Report Type:
[b] a. contract b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	[a] a. bid/offer/application b. initial award c. post-award	[a] a. initial filing b. material change **For Material Change Only:** year _____ quarter _____ date of last report _____

4. Name and Address of Reporting Entity:	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:
[x] Prime [ ] Subawardee Tier _____, *if known*: City of Long Beach 333 W Ocean Blvd Long Beach, CA 90802 **Congressional District**, *if known*: 4c	**Congressional District**, *if known*:
6. Federal Department/Agency: Housing and Urban Development (HUD)	**7. Federal Program Name/Description:** Neighborhood Stabilization Program 2 (NSP2) CFDA Number, *if applicable*: 14.256
8. Federal Action Number, *if known*:	**9. Award Amount**, *if known*: $
10. a. Name and Address of Lobbying Registrant (*if individual, last name, first name, MI*): Van Scoyoc Associates Young, Thane A. , Vice President 101 Constitution Avenue N.W., Suite 600 West Washington D.C. 20001	**b. Individuals Performing Services** (*including address if different from No. 10a*) (*last name, first name, MI*):
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.	Signature: Assistant City Manager Print Name: Patrick H. West Title: City Manager Telephone No.: 562/570-6916 Date: 7-13-09
Federal Use Only:	Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

APPROVED AS TO FORM
7-9, 2009
ROBERT E. SHANNON, City Attorney
By _____
RICHARD ANTHONY
DEPUTY CITY ATTORNEY

HUD 2880, Applicant/ Recipient Disclosure/ Update Report

Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing and Urban Development

OMB Approval No. 2510-0011 (exp. 8/31/2009)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

Applicant/Recipient Information — Indicate whether this is an Initial Report ☐ or an Update Report ☐

1. Applicant/Recipient Name, Address, and Phone (include area code):	2. Social Security Number or Employer ID Number:
City of Long Beach, Community Development Department 333 W Ocean Blvd, Long Beach, CA 90802 562/570-7403	956-00-0733
3. HUD Program Name	**4. Amount of HUD Assistance Requested/Received**
Neighborhood Stabilization Program 2 (NSP2)	$22,249,980.00

5. State the name and location (street address, City and State) of the project or activity:
City of Long Beach, California - Project Qualified Areas

Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3).
☑ Yes ☐ No

2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD) , involving the project or activity in this application, in excess of $200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9
☐ Yes ☑ No.

If you answered "**No**" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form.
However, you must sign the certification at the end of the report.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds

(Note: Use Additional pages if necessary.)

Part III Interested Parties. You must disclose:

1. All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
2. any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds $50,000 or 10 percent of the assistance (whichever is lower).

Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity ($ and %)

(Note: Use Additional pages if necessary.)

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed $10,000 for each violation.
I certify that this information is true and complete.

Signature:	Date: (mm/dd/yyyy)
X Assistant City Manager	7.13.09

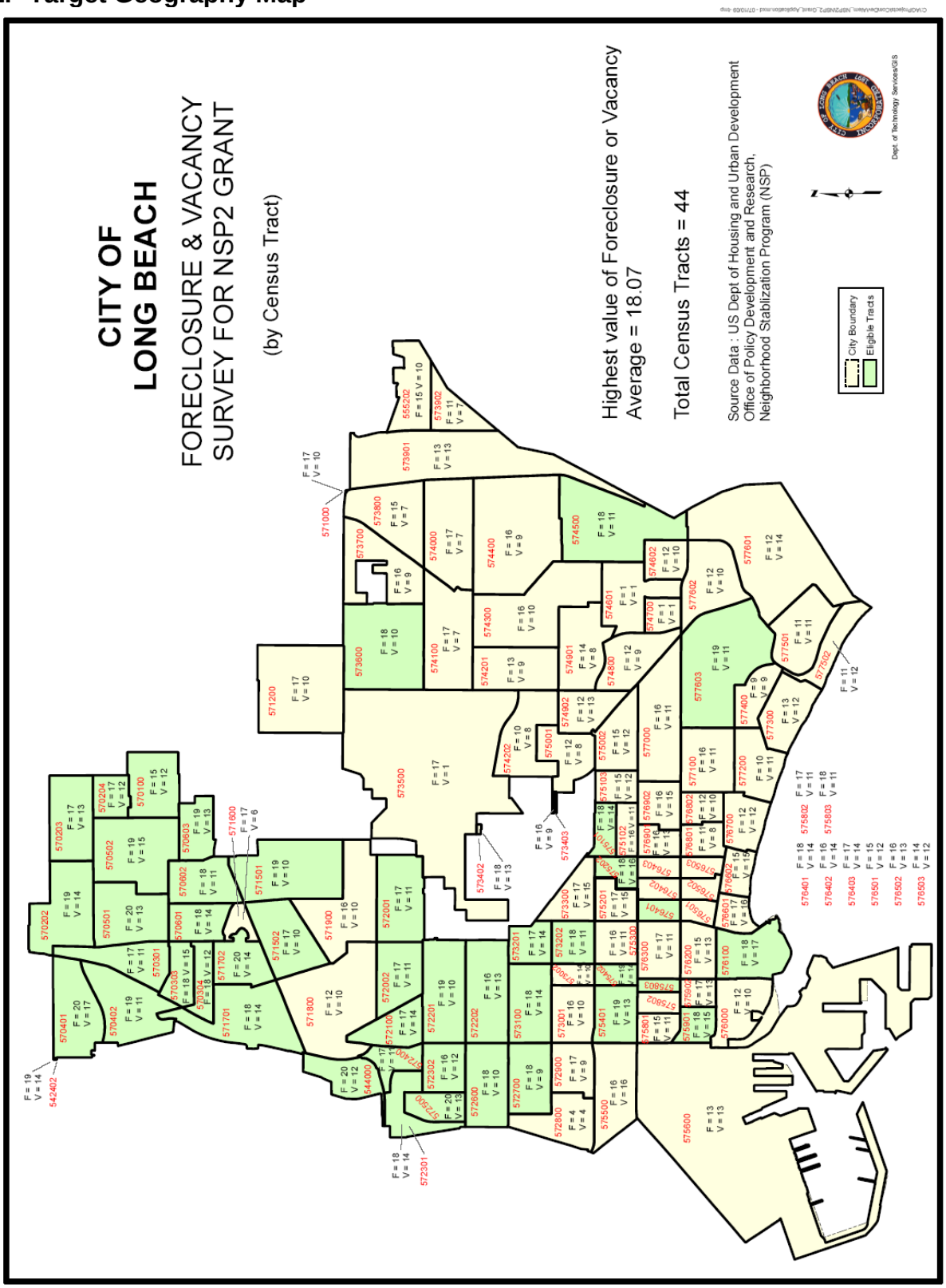
Patrick H. West, City Manager

APPROVED AS TO FORM
7-9, 2009
ROBERT E. SHANNON, City Attorney
By _____
RICHARD ANTHONY
DEPUTY CITY ATTORNEY

Form **HUD-2880** (3/99)

Appendix

1. Target Geography Map



2. Target Geography Census Tract Lists

Census Tract	Neighborhood Name	Zip Code	Foreclosure Score	Vacancy Score
572001	Central LB	90807	17	11
572002	Central LB	90807	17	11
572100	Central LB	90806	17	14
572201	Central LB	90806	19	10
572202	Central LB	90806	16	13
573100	Central LB	90806	18	14
573201	Central LB	90806	17	14
573202	Central LB	90806	17	14
575101	Central LB	90804	18	14
575401	Central LB	90813	19	13
575402	Central LB	90813	19	14
575803	Central LB	90813	18	11
575901	Central LB	90802	18	15
576100	Central LB	90802	18	17
576300	Central LB	90813	17	11
576401	Central LB	90813	18	14
576300	East LB	90814	19	11
573600	East LB	90808	18	10
574500	East LB	90815	18	11
570100	North LB	90805	15	12
570202	North LB	90805	19	14
570203	North LB	90805	17	13
570204	North LB	90805	17	12
570301	North LB	90805	17	11
570303	North LB	90805	18	15
570304	North LB	90805	18	12
570401	North LB	90805	20	17
570402	North LB	90805	19	11
570501	North LB	90805	20	13
570502	North LB	90805	19	15
570601	North LB	90805	18	14
570602	North LB	90805	18	11
570603	North LB	90805	19	13
571501	North LB	90807	19	10
571502	North LB	90807	17	10
571701	North LB	90805	18	14
571702	North LB	90805	20	14
572301	West LB	90810	18	14
572302	West LB	90810	16	12
572400	West LB	90810	17	11

572500	West LB	90810	20	13
572600	West LB	90810	18	10
572700	West LB	90810	18	9

Average Max Score	18.07

3. Calculation of Removal of Negative Effects

Census Tract	Total Residents	Residential Vacancy
570202	1622	34
570203	1213	27
570401	2198	88
570402	959	10
570301	2593	28
570501	2119	33
570502	1822	55
570204	1037	16
570100	755	13
570303	1242	41
570304	1470	19
570601	1658	40
570602	1818	21
570603	1794	29
571701	1818	46
571702	2495	55
571502	1722	14
571501	3175	26
544000	2057	27
572301	982	25
572500	1325	24
572302	859	13
572400	285	3
572100	324	8
572002	1907	24
572201	2062	17
572001	2206	25
572600	1259	11
572202	1103	21
572700	1381	6
573100	2412	60
573201	1369	33
573202	1636	18
575401	1268	25
575402	1030	26
573600	2330	16
574500	2356	22
575101	1527	37
575202	1261	46
575803	1301	15
575901	1401	41
576100	2783	147
576401	1316	31
577603	3944	43
Totals	73194	1359

Data source for the above vacancy by CT was compiled from “HUD Aggregated USPS Administrative Data On Address Vacancies".
http://www.huduser.org/DATASETS/usps.html

Formula

(1.5 (sum total of vacant properties proposed to be addressed through acquisition and rehab) + (sum total of vacant properties proposed to be addressed through demolition))
Sum total of all vacant residential properties in target are

Computation

$$\frac{(1.5(111)+(0))}{1359} = 166.5:1359$$

Let PA = Properties to be addressed
Let VR = All Vacant Residential units in NSP2 areas
PA/VR = 166.5/1359 = 1/x
x{166.5/1359} = x{1/x}
166.5x/1359 = 1
166.5x = 1359
x = 1359/166.5
x = 8.16
166.5:1359 can be expressed as 1:8.16

According to the ratio calculation above , the City, through its proposed NSP2 acquisition and rehabilitation program, will remove one foreclosed and vacant property (blighted home) for every 8 vacant residential properties (both foreclosed and non-foreclosed) in the identified areas, in order to stabilize the targeted areas.

4. Definitions

Definition of "Blighted Structure" In Context of State or Local Law

The California Health and Safety Code Section 33031 describes physical conditions that cause blight related to structures as:

> 33031 (a)
> (1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.
>
> (2) Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards.
>
> 33031 (b)
> (3) Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.
> (7) A high crime rate that constitutes a serious threat to the public safety and welfare.

The Long Beach Municipal Code references blighted structures to buildings or conditions, which will impair or destroy the quality of life, to the detriment of the City, through the deterioration of property and business values for adjacent properties. Long Beach Municipal Code references to the source, condition, prevention, elimination or spread of "Blight" appear in Sections 18.21.010, 18.21.020, 18.20.030 for the monitoring of vacant buildings; Section 8.56 for the abatement of graffiti on buildings; Section 10.46.010 for the abatement of abandoned and wrecked vehicles; Section 21.10.020 for the protection and preservation of the City's cultural heritage; and Section 21.27.050 as a reason for the abandonment or revocation of a property's non-conforming rights.

In addition, the overall "spirit" of all of the regulatory codes used in Code Enforcement are designed and written, so as to provide standards, which in their application and enforcement will eliminate blighted structures and conditions in whatever capacity it may appear.

Definition of "Affordable Rents"

The generally accepted affordability standard or "Affordable Rent" is rent that does not exceed 30% of the household's income. The CDBG program does not mandate the exact rent to be applied to NSP properties. Jurisdictions are, however, allowed to determine the rent standard to be applied and may adopt rent limits similar to

those used for the HOME Program. Whichever standard is approved, the rents must be truly affordable to low- and moderate-income households.

Section 50053 of the California Health and Safety Code, defines "affordable rents" as rents that do not exceed a certain percentage of the area median income, by income category, adjusted for family size appropriate for the unit.

HOME Affordable Rents:
Maximum HOME rent for a low-income household renting a 3-bedroom unit in the Long Beach area is $1,247 per month. For a very low-income household the maximum HOME rent is $985 per month. Note that since HOME funds can not be used for moderate-income households, HOME does not publish an affordable rent standard for this income category.

A comparison of the Health and Safety Code and HOME rents indicates that the Health and Safety Code rents would provide a more affordable rent. However, the HOME rents, although still considered affordable, would provide a higher rent to the property owner, which may be needed to make the project work financially.

TABLE A
TENANT INCOME LIMITS
HUD HOME PROGRAM INCOME LIMITS
EFFECTIVE AS OF April 27, 2009

HOUSEHOLD SIZE	30% OF MEDIAN	50% OF MEDIAN	60% OF MEDIAN	80% OF MEDIAN
1 PERSON	$16,650.00	$27,750.00	$33,300.00	$44,400.00
2 PERSONS	$19,050.00	$31,700.00	$38,040.00	$50,750.00
3 PERSONS	$21,400.00	$35,700.00	$42,840.00	$57,100.00
4 PERSONS	$23,800.00	$39,650.00	$47,580.00	$63,450.00
5 PERSONS	$25,700.00	$42,800.00	$51,360.00	$68,550.00
6 PERSONS	$27,600.00	$46,000.00	$55,200.00	$73,600.00
7 PERSONS	$29,500.00	$49,150.00	$58,980.00	$78,700.00
8 PERSONS	$31,400.00	$52,350.00	$62,820.00	$83,750.00

IT IS THE PROPERTY OWNER'S RESPONSIBILITY TO DETERMINE THE INCOME ELIGIBILITY OF TENANT HOUSEHOLDS AS FOLLOWS:

TENANT HOUSEHOLD INCOME DETERMINATIONS AT INITIAL OCCUPANCY, & EVERY 6TH YEAR OF THE AFFORDABILITY PERIOD: Income eligibility determinations MUST be carried out using the 24 CFR Part 5 Definition of Annual (Gross) Income. Use the attached paperwork entitled "Calculation Method of 24CFR Part 5" From HUD publication entitled "Technical Guide for Determining Income and Allowances for the HOME Program" HUD-1780-CPD, published June 1999.

TENANT HOUSHOLD INCOME DETERMINATIONS DURING THE PERIOD OF AFFORDABILITY OTHER THAN AT INITIAL OCCUPANCY OR EVERY 6TH YEAR: Annual recertification of income of in-place tenant households MUST be done. The property owner may conduct annual recertification of income of in-place tenant households by obtaining completed, signed and dated "Recertification of Annual Income by Tenant Household" forms from the tenant households. These blank forms are provided by the City.

IF AFTER INITIAL OCCUPANCY A TENANT HOUSEHOLD'S INCOME RISES ABOVE 80% OF AREA MEDIAN, AND THUS THEY NO LONGER QUALIFY AS LOW-INCOME: Per 24 CFR 92.252(i)2: "Tenants who no longer qualify as low-income families must pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the household's adjusted income, except that tenants of HOME-assisted units that have been allocated low-income housing tax credits by a housing credit agency pursuant to section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) must pay rent governed by section 42. In addition, in projects in which the HOME units are designated as floating pursuant to paragraph (j), tenants who no longer qualify as low-income are not required to pay as rent an amount that exceeds the market rent for comparable, unassisted units in the neighborhood." The property owner MUST use the calculation method of 24CFR5.611 to calculate 30% of adjusted income in order to determine rent for over-income tenants who were income eligible at the time of initial occupancy. Use the attached paperwork entitled "Calculation Method of 24CFR5.611" from HUD publication entitled "Technical Guide for Determining Income and Allowances for the HOME Program" HUD-1780-CPD, published June 1999.

THE PROPERTY OWNER MUST RETAIN ALL RECORDS OF TENANT INCOME VERIFICATIONS, RENTS, INSPECTIONS, AND OTHER HOME PROGRAM REQUIRED PAPERWORK, UNTIL FIVE YEARS AFTER THE AFFORDABILITY PERIOD TERMINATES.

TABLE B

MAXIMUM RENT INCLUDING TENANT-PAID UTILITY ALLOWANCES

HUD HOME PROGRAM RENT LIMITS EFFECTIVE AS OF APRIL 27, 2009

UNIT SIZE	0 BEDROOM	1 BEDROOM	2 BEDROOM	3 BEDROOM	4 BEDROOM	5 BEDROOM
"LOW" HOME RENTS **20% OF UNITS MUST BE AT OR BELOW, RENTED TO HOUSEHOLDS EARNING 50% OR LESS OF AREA MEDIAN INCOME**	$693	$743	$892	$1,030	$1,150	$1,268
"HIGH" HOME RENTS 80% OF UNITS MUST BE AT OR BELOW	$883	$947	$1,138	$1,306	$1,438	$1,567

RENTS MUST BE REDUCED IN ACCORDANCE WITH TABLE "C" TO ACCOMODATE UTILITIES AND OTHER BASIC SERVICES THAT TENANTS MAY BE REQUIRED TO PAY. EXAMPLE: Unit #1 is a 2-bedroom "HIGH" HOME rent unit. Per Table "B" above, the maximum rent including tenant-paid utility allowances is $1,138. The tenant household is paying for heating by natural gas, cooking by natural gas, basic electricity, water heating by natural gas, and provided their own refrigerator. The sum total of these tenant-paid utility allowances per Table "C" is $91. Thus, the maximum $ amount of rent the property owner may receive for unit #1 (from ALL sources, including amounts paid by the tenant, rental assistance program, etc.) is $901. Calculation is as follows: $1,138 - $91 = $1,047.

In properties with five or more HOME assisted units 20% of the units MUST be rented at or below the "LOW" HOME rent to households earning 50% or less of area median income, and 80% of the units MUST be rented at or below the "HIGH" HOME rent. In properties with less than five HOME-assisted units all of the units may be rented at or below the "HIGH" HOME rent.

TABLE C

MONTHLY ALLOWANCES FOR TENANT-PAID UTILITIES
Established by the Housing Authority of the City of Long Beach)

2007

Utility or Service	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
Heating						
Natural Gas	$17	$20	$26	$34	$40	$47
Electric	$8	$8	$17	$23	$31	$45
Cooking						
Natural Gas	$17	$19	$26	$34	$40	$47
Electric	$8	$8	$17	$23	$32	$47
Basic Electricity	$14	$14	$23	$35	$40	$49
Water Heating						
Natural Gas	$5	$7	$11	$13	$17	$20
Electric	$10	$14	$22	$35	$48	$61
Water and Sewer	$10	$14	$22	$28	$36	$44
Trash Removal						
Multifamily (Rental Units)	$13	$13	$13	$13	$13	$13
Stove	$6	$6	$6	$6	$6	$6
Refrigerator	$5	$5	$5	$5	$5	$5

Description of Housing Rehabilitation Standards

Housing Rehabilitation Standards currently in use by the City of Long Beach for all Federal and State housing rehabilitation programs, and applicable to all NSP assisted activities will include:

- Current Uniform Housing Code, which provides complete requirements affecting conservation and rehabilitation of housing and which are compatible with the Uniform Building Code.

- The 2007 Edition of California Building Code, which incorporates the California Electrical Code, California Plumbing Code, and California Mechanical Code.

- City of Long Beach Municipal Code Title 18, Sections 18.24 through 18.40 which describes Electrical, Plumbing and Mechanical codes, and includes Prohibited Uses and Maintenance, which in some instances are more stringent than those of the California Building Code.

Staff has carefully inspected, prepared detailed scopes of work, and monitored 486 single-family and multi-family residential rehabilitation units within the past 24 months, ensuring compliance with all applicable code described above.

- City of Long Beach "Green **Lite**" Building Policy, which utilizes elements of the LEED Green Building Rating System (see checklist below) when replacing building components within the scope of project rehabilitation.

The City's "Green **Lite**" Building Policy primarily consists of replacing damaged or deteriorated components or mechanical systems in connection with project rehabilitation with: FSC wood products; Energy Star appliances; Low Energy Lighting; Low VOC Paint; Low-E Windows; Recyclable Carpet; Drought Tolerant Planting and Irrigation; and Construction Waste Management.

- Mitigation Lead-Based Paint Hazards in all residential property built prior to 1978.

The City of Long Beach currently has three staff members certified by the State of California Department of Public Health to perform lead hazard evaluations in residential and public buildings as an Inspector/Assessor. Within the past 24 months, staff has conducted over 76 lead inspections for State and Federal rehabilitation, and down payment assistance projects

Other Green Building Checklist that are currently implemented, whenever applicable, by the City that will be considered in NSP2 Projects are as follows:

Building Checklist

Building Site

- ❑ Protect top soil and minimize disruption of existing plants and trees
- ❑ Recycle job site construction waste and deconstruct, not demolish, when possible
- ❑ Use recycled content aggregate

Foundation

- ❑ Design and build structural pest control

Landscaping

- ❑ Construct resource-efficient landscapes using drought-tolerant and native species only
- ❑ Use fire-safe landscaping techniques
- ❑ Minimize turf areas

- Plant shade trees using drought-tolerant and native species only
- Install high-efficiency irrigation systems
- Incorporate 2 inches of compost in top 6 to 12 inches of soil
- Mulch all planting beds to greater of 2 inches of local water ordinance
- Reduce light pollution by shielding fixtures and directing light downwards

Structural Frame and Building Envelope

- Reduce pollution entering home from garage
- Energy heels on trusses
- Overhangs and gutters
- Weather stripping around windows and doors

Exterior Finish

- Use recycled-content (engineered) for siding and FSC-Certified for wood decking
- Install rain screen wall system to reduce rainwater intrusion
- Use durable, non-combustible materials
- Roofing materials

Insulation

- 75% recycled content and upgrade insulation using low-emitting materials

Finishes

- Design entryways to reduce tracked-in contaminants
- Use low-VOC or no-VOC materials
- Environmentally-preferred materials for interior finishes

Heating, Ventilation, Air Conditioning (HVAC)

- Install sealed combustion units
- Zoned, hydronic radiant heating
- High efficiency air conditioning
- Efficient duct work
- ENERGY STAR High efficiency HVAC filter
- Remove wood-burning fireplaces
- Effective exhaust systems
- Mechanical ventilation system for cooling
- Mechanical fresh air ventilation system
- Carbon monoxide alarms

Renewable Energy

- Pre-plumb for solar hot water heating and/or install solar hot water heating system
- Install wiring conduit for future photovoltaic installation (“Solar-ready Roof”)

Plumbing

- Efficient hot water distribution
- High efficiency toilets

Flooring

- Use environmentally preferred flooring material
- Thermal mass floors

Appliances and Lighting

- ENERGY STAR water and energy efficient dishwasher
- ENERGY STAR clothes washing machine
- ENERGY STAR refrigerator
- Install built-in recycling center and compost center

Other

- Green Home Guide for all new residents (pamphlet or small guidebook):

Materials List:

E=Easy
M=Moderate
D=Difficult

P=Permanent
R=Removable

Building Site

M P	Protect top soil and minimize disruption of existing plants and trees	• Reuse topsoil after construction • Limit and delineate construction footprint • Protect established plants during construction
E	Recycle job site construction waste and deconstruct, not demolish	• C&D Recycling Debris Program (City of Long Beach) : Permitted Haulers A Rent-A-Bin 901 So. Maple Ave. Montebello 90640 (323)726-4056 Arakelian Enterprises./ Athens P. O. Box 60009 City of Industry 91716 (626)336-3592 BFI/Allied Waste Industries 14905 S. San Pedro St. Gardena 90248 (310)323-0763 Calmet P. O. Box 2137 Paramount 90723 (562)259-1239 Consolidated Disposal Services 12949 E. Telegraph Rd. Santa Fe Springs 90670 (562)663-3541 CR & R 12739 Lakeland Road Santa Fe Springs 90670 (562)944-4716 EDCO Waste Services/BZ Disposal P.O. Box 116 Lakewood 90714 (562)423-8161 Haul Away Rubbish Service 1205 Date Street Montebello 90640 (323)721-0371 Innovative Waste Control 4133 Bandini Blvd. Vernon 90023 (323)264-0202 Lieb Disposal/EDCO P. O. Box 116 Lakewood 90714 (562)423-8161 Litterbox Containers/EDCO P.O. Box 398 Buena Park 90621 (562)423-8161

		Long Beach Rubbish/EDCO P. O. Box 116. Lakewood 90714 (562)423-8161 Norcal Waste Services 3514 Emery Street Los Angeles 90023 (888)853-5110 Olympic Disposal Services 116 W. Maynard Road Montebello 90640 (323)685-8584 Pete's Rubbish Service/EDCO P.O. Box 398 Buena Park 90621 (562)597-0608 Signal Hill Disposal/EDCO P.O. Box 398 Buena Park 90621 (562)597-0608 Universal Waste Systems, Inc. P. O. Box 3038 Whittier 90605 (562)941-4900 Waste Management-Compton 9081 Tujunga Avenue Sun Valley 91352 (310)522-6579
M P	Use recycled content aggregate	• Walkway, driveway, and roadway base • Use permeable materials to reduce toxic runoff

Foundation

M P	Design and build structural pest control	• Termite shields and separate wood-to-concrete connections • New plants located 36 inches from base

Landscaping

E P	Construct resource-efficient landscapes using drought-tolerant and native species only	• Drought-tolerant and native species only • No plants requiring hedging • 1 gallon plants=$5-$10 • Shrubs=$20-$30 • Trees-$50-$80 • Theodore Payne Nursery: http://www.theodorepayne.org 10459 Tuxford St. Sun Valley 818-768-1802
E P	Use fire-safe landscaping techniques	• Create buffer zone between building and vegetation • Irrigated, low-growing vegetation • Use patio and paving stones to reduce fuel for fire • http://www.theodorepayne.org/plants/fire_resistant.htm
E P	Minimize turf areas	• water requirements less than/equal to Tall Fescue • no turf installed on slopes greater than 10% or less than 8 feet wide • total turf area less than/equal to 33% of landscape area
M P	Plant shade trees using drought-tolerant and native species only	• goal is to reduce use of air conditioning system by shading building • trees approx. cost $50-$100 • Theodore Payne Nursery: http://www.theodorepayne.org 10459 Tuxford St. Sun Valley 818-768-1802 • list of southern California native trees:

		http://www.cnpsci.org/html/PlantInfo/So_California_Native_Trees.htm
E P	Install high-efficiency irrigation systems	• low-flow drip irrigation, bubblers, and low-flow sprinklers • smart (weather-based) controllers • programmable irrigation systems=$40-$70 • drip irrigation systems=$20-$40 • low flow sprinkler heads=$20-$50 • Be Water Wise features available rebates for weather based irrigation controller and rotating nozzles: http://socalwatersmart.com
M P	Incorporate 2 inches of compost in top 6 to 12 inches of soil	• 2 cubic feet bag of compost=$5 • encourage backyard composting or vermicomposting by attending a composting workshop through Environmental Services Bureau: http://www.longbeach-recycles.org 570-2876
E P	Mulch all planting beds to greater of 2 inches of local water ordinance	• use organic materials for mulch • 2 cubic feet bag of mulch=$5
E P	Reduce light pollution by shielding fixtures and directing light downwards	• avoid outdoor lighting when possible • use light controls to turn lights out during middle of the night • low contrast lighting on walkways • use fixtures certified by Dark Sky Association: http://www.darksky.org • pathlighting $20-$50

Structural Frame and Building Envelope

M P	Reduce pollution entering home from garage	• tightly sealed air barrier (weather stripping) • detached garage
E P	Energy heels on trusses	• 75% of attic insulation height at outside edge of exterior wall
E P	Overhangs and gutters	• provide shading, reduce insolation, and prevent water intrusion • overhang should be at least 16 inches with a gutter
E P	Weather stripping	• test for leaks and seal with caulk or spray foam • Mortite rope caulk (ENERGY STAR rated) is $5.17/90 feet at Home Depot

Exterior Finish

E P	Use recycled-content (engineered	• no virgin plastic or wood

	materials) for siding and FSC-Certified for wood decking	• http://www.altruwood.com is a resource for FSC-certified wood and reclaimed lumber
M R	Install rain screen wall system to reduce rainwater intrusion	• more effective in areas with high rainfall • install siding with air space between siding and structural wall • can also reduce heat gain
E P	Use durable, non-combustible materials	• for siding and roofing • metal, stone, brick, stucco, fiber-cement
M P	Roofing materials	• 40-50 year asphalt shingles • recycle roof tiles • use roof tiles with recycled content (recycled plastic) • reduce urban heat island effect by using white or light colored roof materials

Insulation

E P	75% recycled content and upgrade insulation using low-emitting materials	• Fiberglass batts made from recycled silica • Natural fiber insulation made from recycled or highly renewable materials • Cellulose insulation made from recycled newspaper • Use products that do not emit formaldehyde or high amounts of Volatile Organic Compounds (VOC)

Finishes

E P	Design entryways to reduce tracked-in contaminants	• Encourage removal of shoes that track contaminants into home (provide shoe rack area) • Replace carpet in entryway with material that can be easily swept and kept clean
E P	Use low-VOC or no-VOC materials	• Water-based wood finishes • Caulk and construction adhesives • Paint=$40/gallon • Stain=$54/gallon • Spray adhesive=$13
E P	Environmentally-preferred materials for interior finishes	• FSC-certified wood • Rapidly renewable/recycled-content/reclaimed materials • Finger-jointed • FSC retailer database: http://www.fscus.org/productsearch/retailers/

Heating, Ventilation, Air Conditioning (HVAC)

E R	Install sealed combustion units	• Furnaces with AFUE rating of 90% or greater (gas) and 85% or greater (oil) • Furnace price depends on size, approx. $600-

		$1200 • Heat pumps: >= 8.2 HSPF/ >=14.5 SEER/ >=12 EER* for split systems and >= 8.0 HSPF/ >=14 SEER/ >=11 EER* for single package equipment including gas/electric package units • See air conditioners below for prices
M P	Zoned, hydronic radiant heating	• More appropriate for cooler climates
M R	High efficiency air conditioning	• ENERGY STAR rated high efficiency air conditioners: http://www.energystar.gov/ia/products/prod_lists/cac_ashp_prod_list.xls • $280-$450 found at Home Depot • SEER rating of 14 or higher • EER rating of 11 or higher
E P	Efficient duct work	• use water-based mastic to seal leaks on existing ductwork • water-based mastic $12 at Home Depot • clean ducts during remodel • insulate accessible ductwork to code
M R	ENERGY STAR High efficiency HVAC filter	• MERV 6+ • Honeywell MERV 11 air filter=$35 found at most home hardware stores
E P	Remove wood-burning fireplaces	
M P	Effective exhaust systems	• In bathrooms and kitchens • ENERGY STAR fans vented to outside • Bathroom fans on timer or Humidstat • Kitchen range hood vented to outside
M R	Mechanical ventilation system for cooling	• ENERGY STAR ceiling fans=$100-$700 • Automatically controlled thermostat system • Cross-ventilation with appropriate windows
M R	Mechanical fresh air ventilation system	• Install air-to-air heat exchanger • $550 from http://www.smarthome.com
E R	Carbon monoxide alarms	• Available at any home hardware store=$36

Renewable Energy

M P	Pre-plumb for solar hot water heating and/or install solar hot water heating system	• Can provide up to 70% of a household's water heating needs • Approximately $4000-$6500 for installation of solar hot water system
M P	Ground-source heat pump	• Uses geo-thermal heat exchange for max. efficiency • Approximately $7500 for typical residential unit

		• Purchase direct from manufacturer
D P	Install wiring conduit for future photovoltaic installation ("Solar-ready Roof")	• 200 square feet of south-facing roof • cost approximately $360

Plumbing

M P	Efficient hot water distribution	• insulate hot water pipes to prevent loss of heat • use engineered parallel piping • use demand controlled circulation loop • use structured/central core plumbing • have appropriately sized hot water heater with min. Energy Factor (EF) of 0.63 • lower water heater thermostat to 120 degrees
E R	Low flow showerheads	• 1.5 gallons per minute or less • $20-$50 depending on style • found at most home hardware stores
E R	Low flow faucet Aerators	• 0.5 gallons per minute (gpm) • $1.95 found at most home hardware stores
E R	High efficiency toilets	• dual-flush= $289 • less than 1.28 gallons per flush (gpf)=$269 • available at Home Depot and Lowes

Flooring

E P	Use environmentally preferred flooring material	• recycled-content carpet • Interface Flor: http://www.interfaceflor.com/1-800-336-0225 • wood floors made from bamboo, cork, other sustainable wood products • use FSC-certified wood • tile made from recycled materials • use of non-toxic flooring adhesives
E P	Thermal mass floors	• concrete absorbs, stores, and releases heat more slowly • floor covering other than carpet on 50% or more of concrete floors

Appliances and Lighting

E R	ENERGY STAR water and energy efficient dishwasher	• dishwasher=$300 • Energy Factor (EF) greater than 0.65 • Less than 307 kwh/year (2011 criteria) • Found at Home Depot, Lowes
E R	ENERGY STAR clothes washing machine	• clothes washer=$600 • Energy Factor (EF) greater than 2.0 (2011 criteria)

		• Water Factor (WF) less than 6.0 (2011 criteria) • Found at Home Depot, Lowes
E R	ENERGY STAR refrigerator	• 25 cubic feet fridge=$900 • full sized fridge must be 20% more efficient than min. federal standards • Found at Home Depot, Lowes
M P	Install built-in recycling center and compost center	• Nature Mill indoor automatic composter=$300-$400 • http://www.naturemill.com • 16 gallon touchless recycling center=$100 found at Home Depot

Other

E R	Install bike racks	• encourage residents to use bicycles instead of driving
E R	Public transportation pass	• team up with local transit agency to provide monthly passes to those who request it
E R	Green Home Guide for all new residents	• small booklet that should include the following: o benefits of going green (financial, environmental, etc.) o simple, everyday things you can do to be more green o step by step guidelines to reducing, reusing, recycling, and composting o local green resource guide

5. Leveraging Documentation – Firm Commitment Letters

Habitat for Humanity® of Greater Los Angeles

Building Hope, Lives and Communities

17700 S. Figueroa St.
Gardena, CA 90248
(310) 323-4663
Fax (310) 323-0789
www.habitatla.org

June 24, 2009

Dennis J. Thys
Director, Department of Community Development
The Housing Services Bureau
City of Long Beach
110 Pine Avenue, Suite 1200
Long Beach, CA 90802

Re: Firm Commitment of Contributions in Support of NSP2 Application

Dear Dennis,

Habitat for Humanity of Greater Los Angeles (HFH GLA) is pleased to provide this letter of commitment to the City of Long Beach in support of your application for Neighborhood Stabilization Program 2 (NSP2) funding under the American Recovery and Reinvestment Act of 2009.

We hereby confirm our firm commitment to provide private contributions of materials in support of the housing rehabilitation and redevelopment activities targeted at those earning 50% of AMI or less specified in your NSP2 funding application as follows:

Habitat for Humanity of Greater Los Angeles will provide $9,000 in contributed materials for each unit that is purchased and rehabilitated. Materials include paint, energy efficient appliances, lumber, solar panels and/or sustainable energy efficient products. Based upon your projection of HFH GLA acquiring and rehabilitating twenty five units, we estimate that the value of our donated materials for this project would be approximately $225,000.

As you know, HFH GLA has a long standing history of providing affordable homeownership opportunities in the City of Long Beach and we have found our work with the City to be an effective and rewarding way to serve low income families in your community. It would be our great pleasure to participate in the HUD NSP2 funding application, pursuant to the HUD's Notice of Fund Availability, Docket No. FR-5321-N-01, dated May 4, 2009, and specifically in support of the Rating Factor 4a—leverage section of your application.

I am duly authorized to execute this letter of commitment on behalf of the organization.

Sincerely,

Erin Rank

Erin Rank
President & CEO
Habitat for Humanity of Greater Los Angeles

CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802 • (562) 570-6711 • FAX (562) 570-6583

PATRICK H. WEST
CITY MANAGER

Neighborhood Stabilization Program2 (NSP2) Application Firm Commitment of Contributions

The City of Long Beach, as required by the Notice of Fund Availability for NSP2 under the American Recovery and Reinvestment Act of 2009, hereby commits to provide the following resources and specific amounts, as shown in the tables below, to invest in its proposed NSP2 programs:

Resource	Amount/Form	Use	Average Amount Per Unit
State- CalHome	$1,500,000 Differed Payment Loan	To augment NSP2 funds for rehabilitation of 60 foreclosed homes	$25,000
Estimated borrower downpayment contribution	$225,000	Financing – excluding downpayment assistance	$2,000 per unit
Private nonprofit*	$225,000 in-kind	To augment NSP2 funds for rehabilitation of 25 foreclosed homes	$9,000 in contributed materials

* As evidenced by firm commitment letter from Habitat

I am duly authorized to execute this letter of commitment on behalf of City of Long Beach.

Assistant City Manager
/Patrick H. West
Signature/Authorized Official

7-13-09
Date

City Manager
Title

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

6. Code of Conduct

CODE OF ETHICS

On February 6, 2003, the City Council of the City of Long Beach adopted a Code of Ethics, which applies to City employees, officers and commission members. This Code requires that all employees, officers and commission members shall pledge:

- To place the best interests of the City above all other interests.
- To uphold all laws, regulations and policies.
- To take no action for the purpose of benefiting the official or employee personally.
- To make every effort to avoid a conflict of interest.
- To avoid disclosure of confidential information obtained in the performance of his or her duties or in his or her official capacity.
- To exercise prudence and good judgment at all times.
- To be fair, impartial, and unbiased in the decision-making process.
- To treat each other and the public with respect.

1

for a copy of the Ethics Guide for Long Beach City Officials and Employees, please go to the following link:
http://www.longbeach.gov/civica/filebank/blobdload.asp?BlobID=17608

7. Certifications

LOCAL GOVERNMENT CERTIFICATION

Neighborhood Stabilization Program 2 (NSP2)

State and Unit of Local Government Certifications

1. **Affirmatively furthering fair housing.** The applicant certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

2. **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.

3. **Anti-lobbying**. The applicant must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

4. **Authority of applicant.** The applicant certifies that it possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

5. **Acquisition and relocation.** The applicant certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP2 program published by HUD.

6. **Section 3.** The applicant certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

7. **Citizen participation.** The applicant certifies that it is carrying out citizen participation in accordance with NSP2 requirements.

8. **Use of funds.** The jurisdiction certifies that it will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008, as modified by the American Reinvestment and Recovery Act by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.

9. **The applicant certifies:**

a. that all of the NSP2 funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and

b. The applicant will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low-and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

10. Excessive force. The applicant, if an applicable governmental entity, certifies that it has adopted an in enforcing:

a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolence civil rights demonstrations; and

b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

11. **Compliance with anti-discrimination laws.** The applicant certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

12. **Compliance with lead-based paint procedures.** The applicant certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.

13. **Compliance with laws.** The applicant certifies that it will comply with applicable laws.

Assistant City Manager
/Patrick H. West — 7-13-09

Signature of Authorized Official — **Date**

City Manger
Title

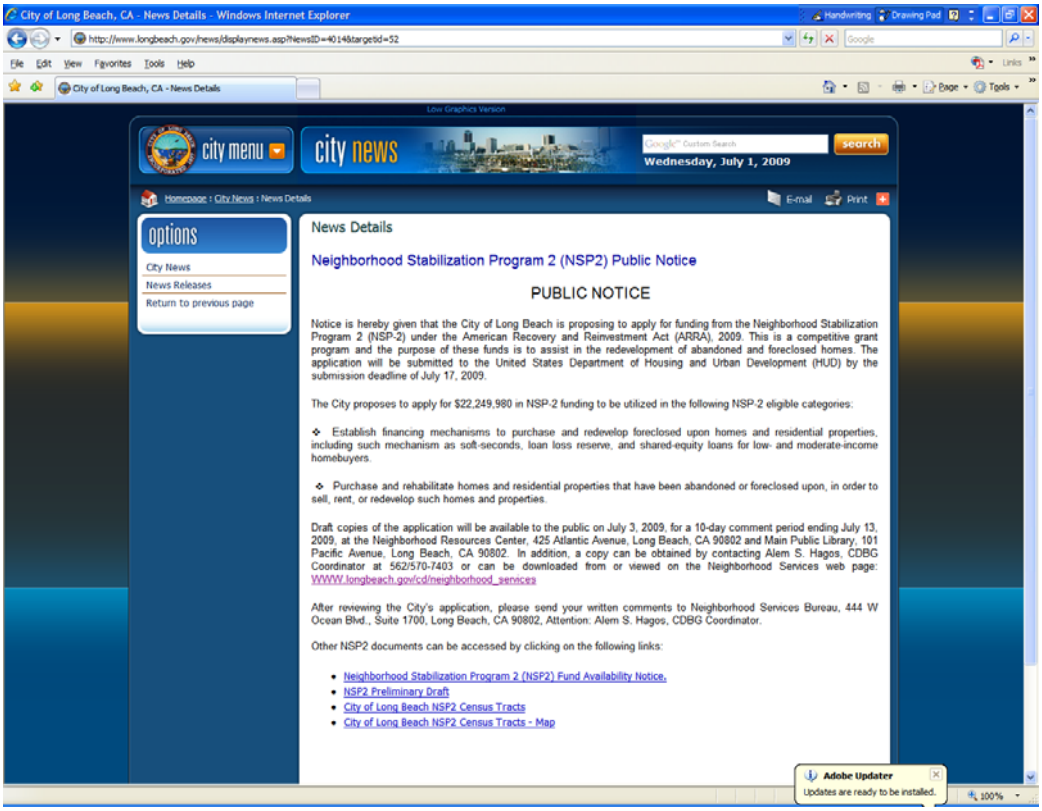
EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER

APPROVED AS TO FORM
7-9 20 09
ROBERT E. SHANNON, City Attorney
By
RICHARD ANTHONY
DEPUTY CITY ATTORNEY

8. Citizen Comments and Plan URL

As of the close of the Citizen Comment period (July 13, 2009) no comments have been received.

HTTP://WWW.LONGBEACH.GOV/NEWS/DISPLAYNEWS.ASP?NEWSID=4014&TARGETID=52


City of Long Beach, CA - News Details - Windows Internet Explorer
http://www.longbeach.gov/news/displaynews.asp?NewsID=4014&targetid=52
File Edit View Favorites Tools Help
City of Long Beach, CA - News Details
Low Graphics Version
city menu
city news
search
Wednesday, July 1, 2009
Homepage : City News : News Details
E-mail
Print
options
City News
News Releases
Return to previous page
News Details
Neighborhood Stabilization Program 2 (NSP2) Public Notice
PUBLIC NOTICE
Notice is hereby given that the City of Long Beach is proposing to apply for funding from the Neighborhood Stabilization Program 2 (NSP-2) under the American Recovery and Reinvestment Act (ARRA), 2009. This is a competitive grant program and the purpose of these funds is to assist in the redevelopment of abandoned and foreclosed homes. The application will be submitted to the United States Department of Housing and Urban Development (HUD) by the submission deadline of July 17, 2009.
The City proposes to apply for $22,249,980 in NSP-2 funding to be utilized in the following NSP-2 eligible categories:
Establish financing mechanisms to purchase and redevelop foreclosed upon homes and residential properties, including such mechanism as soft-seconds, loan loss reserve, and shared-equity loans for low- and moderate-income homebuyers.
Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.
Draft copies of the application will be available to the public on July 3, 2009, for a 10-day comment period ending July 13, 2009, at the Neighborhood Resources Center, 425 Atlantic Avenue, Long Beach, CA 90802 and Main Public Library, 101 Pacific Avenue, Long Beach, CA 90802. In addition, a copy can be obtained by contacting Alem S. Hagos, CDBG Coordinator at 562/570-7403 or can be downloaded from or viewed on the Neighborhood Services web page: WWW.longbeach.gov/cd/neighborhood_services
After reviewing the City's application, please send your written comments to Neighborhood Services Bureau, 444 W Ocean Blvd., Suite 1700, Long Beach, CA 90802, Attention: Alem S. Hagos, CDBG Coordinator.
Other NSP2 documents can be accessed by clicking on the following links:
Neighborhood Stabilization Program 2 (NSP2) Fund Availability Notice.
NSP2 Preliminary Draft
City of Long Beach NSP2 Census Tracts
City of Long Beach NSP2 Census Tracts - Map
Adobe Updater
Updates are ready to be installed.
100%

9. Public Notices

LONG BEACH
PRESS-TELEGRAM

300 Oceangate
Long Beach, CA 90844

PROOF OF PUBLICATION

(2015.5 C.C.P.)

STATE OF CALIFORNIA

County of Los Angeles

I am a citizen of the United States, and a resident of the county aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of the Long Beach Press-Telegram, a newspaper of general circulation printed and published daily in the City of Long Beach, County of Los Angeles, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, on the date of March 21, 1934, Case Number 370512. The notice, of which the annexed is a true printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit.

July 2, 2009

The Long Beach Press-Telegram, a newspaper of general circulation, is delivered to and available in, but not limited to the following cities: Long Beach, Lakewood, Bellflower, Cerritos, Downey, Norwalk, Artesia, Paramount, Wilmington, Compton, South Gate, Los Alamitos, Seal Beach, Cypress, La Palma, Lynwood, San Pedro, Hawaiian Gardens, Huntington Park, La Mirada, Santa Fe Springs, Carson.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Long Beach, LA Co. California
this 1 day of July,

signature

PUBLIC NOTICE

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After reviewing the City's application, please send your written comments to Neighborhood Services Bureau, 444 W Ocean Blvd., Suite 1700, Long Beach, CA 90802, Attention: Alem S. Hagos, CDBG Coordinator.

Pub July 2, 2009(1t) PT(158993/746588)

CL-07-2066 Legal Affadavit

AVISO PUBLICO

Esta notificación sirve para informar al público sobre la intención de la Ciudad de Long Beach de aplicar para una concesión de fondos disponible a través del Programa de Estabilización de Vecindarios 2 (NSP-2) bajo la Ley Americana de Recuperación y Re-inversión (ARRA) del 2009. Esta es una concesión competitiva del cual propósito es de asistir en renovar viviendas abandonadas y en estado de embargo (foreclosure). La Ciudad entregara una aplicación para recibir fondos bajo el programa NSP-2 al Departamento de Viviendas y Desarrollo Urbano de los Estados Unidos (HUD) antes de la fecha de plazo, 17 de Julio, 2009.

La Ciudad aplicara para $22,249,980 en fondos del programa NSP-2 para ser utilizado en las siguientes categorías elegibles:

Establecer un mecanismo financiero para comprar y renovar viviendas embargadas y propiedades residenciales incluyendo prestamos segundarios con intereses diferidos, reserva para perdida de prestamos y prestamos de valor compartido para el beneficio de compradores de vivienda de ingresos bajos y moderados.

Compra y rehabilitación de viviendas y propiedades residenciales cuales han sido abandonadas y embargadas para el propósito de rentar, vender y renovar tales propiedades y viviendas.

Copias de la aplicación serán disponibles al publico el 3 de Julio del 2009, para un periodo de comentario cual finalizara el 13 de Julio del 2009. La aplicación será disponible en el Centro de Recursos al Vecindario, 425 Atlantic Avenue, Long Beach, California 90802, y en la Biblioteca Principal, 101 Pacific Avenue, Long Beach, California 90802. Adicionalmente, una copia puede ser obtenida al contactar a Alem S. Hagos, Coordinador de CDBG al (562) 570-7403 o bajada por el internet en la pagina

http://www.longbeach.gov/cd/neighborhood_services/default.asp

Después de leer la aplicación de la Ciudad, por favor mande sus comentarios a el Buró de Servicios al Vecindario, 444 West Ocean Blvd., Suite 1700, Long Beach, California 90802, Atención: Alem S. Hagos, Coordinador de CDBG.

Angkor Borei News • Tel: 714-928-3920 • June 30, 2009 • Vol. 24 • No. 764

ទីក្រុងឡុងចឺច

សេចក្តីប្រកាសដូនដំណឹង

សេចក្តីប្រកាសនេះរៀបចំឡើងដោយទីក្រុងឡុងចឺចដើម្បីដាក់ពាក្យទទួលធនធានថវិកា នៃកម្មវិធីធ្វើឲ្យភូមិស្ថានមានលំនឹង ចេញពី American Recovery and Reinvestment Act (ARRA) ,2009 ។ ការប្រជែងគ្នាដើម្បីទទួលធនធានថវិកានេះគឺដើម្បីយកទៅអភិវឌ្ឍន៍គេហដ្ឋានដែលបោះបង់ចោលដោយសារធនាគារបរិបអូស ។ ទីក្រុងនឹងដាក់ ពាក្យដើម្បីសុំជំនួយថវិកាពីក្រសួង HUD ដែលកំណត់ឈប់ទទួលពាក្យនូវថ្ងៃទី១៧កក្កដាឆ្នាំ ២០០៩ ។

ទីក្រុងឡុងចឺចដាក់ពាក្យសុំជំនួយចំនួន ២២២៤៩៩៨០ដុល្លារ ពីកម្មវិធីធ្វើឲ្យភូមិស្ថានមានលំនឹងដើម្បីយកទៅប្រើប្រាស់តាមជំពូក:

ចំណាយទៅលើការទិញនិងជួសជុលអាចមានជំណើរការសម្រាប់ធ្វើឲ្យអ្នកមានប្រាក់ចំណូលមធ្យមអាចខ្ចីលុយបាន ដើម្បីទិញយកមកស់នៅហើយនឹងអាចធ្វើឲ្យផ្ទះមានតម្លៃឡើងទៅវិញបាន

ទិញផ្ទះដែលបង់រិបអូសជួសជុលដើម្បីយកទៅលក់ឬដាក់ជួល

សំណុំពាក្យមានដាក់ចែកចាយដល់សាធារណជនទៅថ្ងៃទី៣ កក្កដា ២០០៩ សម្រាប់បញ្ចេញយោបល់ចំនួន ១០ថ្ងៃ នឹងត្រូវបញ្ចប់នៅថ្ងៃទី ១៣ ខែ កក្កដា ២០០៩ ។ សំណុំពាក្យបន្ថែមទៀតអាចទទួលបាននៅតាម មជ្ឈមណ្ឌលសេវាកម្មសម្រាប់អ្នកភូមិ 425 Atlantic Avenue, Long Beach, CA 90802 និងតាមបណ្ណាល័យសាធារណៈ 101 Pacific Avenue ឬសំណុំបន្ថែមអាចទទួលបានដោយទាក់ទងទៅនឹង Alem Hagos, CDBG Coordinator ទូរស័ព្ទលេខ ៥៦២-៥៧០-៧៨០៣ ឬអាចដោនឡូដតាមទំព័រ http://www.longbeach.gov/cd/neighborhood_services/default.asp ។

បន្ទាប់ពីបានពិនិត្យលើសំណុំពាក្យរបស់ទីក្រុងហើយលោកអ្នកអាចសរសេរធ្វើយោបល់ទៅកាន់ការិយាល័យកិច្ចការបំពើសង្គម 444 West Ocean Blvd., Suite 1700, Long Beach, CA 90802, Attention: Alem Hagos, CDBG Coordinator ។