City of Long Beach
Working Together to Serve

Memorandum

Date: March 16, 2018

To: Patrick H. West, City Manager

From: Tom Modica, Interim Director of Development Services

For: Mayor and Members of the City Council

Subject: **2017 Annual Housing Element Progress Report**

On January 7, 2014, the City Council adopted the 2013-2021 Housing Element, one of seven mandated elements in the City's General Plan. California law requires that all cities and counties submit to their legislative bodies, and the California Department of Housing and Community Development (HCD), an annual report on the City's progress in meeting its adopted Housing Element goals and the Regional Housing Needs Allocation (RHNA) targets. Pursuant to this requirement, on February 15, 2018, the Planning Commission reviewed the 2017 Annual Housing Element Progress Report (Report) and recommended it be forwarded to the City Council for review and submitted to the HCD.

The Report (attached) is presented in the format and manner prescribed by HCD and includes summary tables highlighting the City's performance in the areas of housing production and affordability, as well as its progress on key goals such as housing assistance, preservation of affordable housing, and the removal of constraints to housing production. Also attached for your information is the Housing Successor Annual Report regarding the low and moderate income housing asset fund for Fiscal Year 2016-2017.

The City's progress during the 2017 reporting period is summarized by the following:

- The City issued permits for the construction of 525 new dwelling units.

- The Housing Authority currently has an allocation of 6.693 vouchers for its Housing Choice Voucher Program (HCV) and 705 vouchers for its Veterans Affairs Supportive Housing (VASH) Program. The average utilization of allocated HCV vouchers is 87 percent, and the average utilization of allocated VASH vouchers is 70%. Efforts to encourage owner acceptance are ongoing.

- On May 2, 2017, the City Council adopted a set of 29 policy recommendations relating to revenue tools and incentives for the production of affordable and workforce housing, after a public outreach and policy development process led by the Mayor's Affordable and Workforce Housing Study Group and assisted by City staff. The Study Group was formed in 2016 and completed their work in 2017. The Study Group held 15 meetings between February 2016 and February 2017. The policies are organized by implementation timeline, including ongoing and new initiatives. Staff continues to implement the policies and provide regular updates to the City Council.

- The City contributed to preserving and extending the affordability of 44 units in the Beachwood Apartments, located at 475 West 5th Street and 505 West 6th Street. Rehabilitation of these units began in December 2017. Development Services and the Long Beach Community Investment Company provided $2.1 million in funding, amended previous agreements, supported and assisted with funding applications, and provided $246,522 in Developer Impact Fee waivers.

- In 2017, the City inspected 8,737 multi-family units through the Proactive Rental Housing Inspection Program, which has been in place since 2015.

- The Neighborhood Services Bureau partnered with the community to plant 496 trees in port-adjacent neighborhoods.

Should you have any questions regarding this matter, please call Tom Modica, Interim Director of Development Services, at (562) 570-5091.

TM:LFT:FN
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ATTACHMENTS:
A) COPY OF LETTER TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
B) 2017 ANNUAL HOUSING ELEMENT PROGRESS REPORT
C) HOUSING SUCCESSOR ANNUAL REPORT REGARDING LOW AND MODERATE INCOME HOUSING ASSET FUND FOR FISCAL YEAR 2016-2017

CC: CHARLES PARKIN, CITY ATTORNEY
LAURA L. DOUD, CITY AUDITOR
KEVIN J. JACKSON, DEPUTY CITY MANAGER
REBECCA GARNER, ASSISTANT TO THE CITY MANAGER
OSCAR ORCI, DEPUTY DIRECTOR, DEVELOPMENT SERVICES
LINDA F. TATUM, PLANNING BUREAU MANAGER
PATRICK URE, HOUSING AND NEIGHBORHOOD SERVICES BUREAU MANAGER
DEPARTMENT HEADS

ATTACHMENT A

CITY OF LONG BEACH

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 4th Floor Long Beach, CA 90802 (562) 570-6428 Fax: (562) 570-6205

March 16, 2018

California Department of Housing and Community Development
Division of Housing Policy Development
P.O Box 952053
Sacramento, CA 94252-2053
APR@hcd.ca.gov

California Governor's Office of Planning and Research
P.O Box 3044
Sacramento, CA 95812-3044

RE: City of Long Beach 2017 Housing Element Annual Report and Housing Successor Annual Report Regarding the Low and Moderate Income Housing Asset Fund for Fiscal Year 2016-2017

To Whom It May Concern:

California law mandates that cities and counties submit to their legislative bodies, the State Office of Planning and Research, and the California Department of Housing and Community Development, an annual report on the status of their Housing Element and the progress toward its implementation. The intent of this statute is to ensure that the Housing Element remains an effective guide for housing development.

During the 2017 calendar year, the City of Long Beach was able to make progress in achieving many of the housing plan goals including:

- A total of 63 building permits were issued for 525 new housing units.
- The Housing Authority currently has an allocation of 6,693 Housing Choice Vouchers and 705 VASH Vouchers. Efforts to encourage owner acceptance are ongoing. The average utilization of allocated Housing Choice Vouchers is 87 percent.
- On May 2, 2017, the City Council adopted a set of 29 policy recommendations relating to revenue tools and incentives for the production of affordable and workforce housing, after a public outreach and policy development process led by the Mayor's Affordable and Workforce Housing Study Group and assisted by City staff. The Study Group was formed in 2016 and completed their work in 2017. The Study Group held more than 15 meetings between February 2016 and February 2017. The policies are organized by implementation timeline, including ongoing and new initiatives. Staff continues to implement the policies and provide regular updates to the City Council.

- Since 2014, the City has contributed to preserving and extending the affordability of 937 units for an additional 55 years.

- In 2017, the City inspected 8,737 multi-family units through the Proactive Rental Housing Inspection Program, which has been in place since 2015.

On February 15, 2018, the Planning Commission reviewed the 2017 Housing Element Annual Report, and directed staff to distribute the report to the City Council, the California Department of Housing and Community Development, and the California Governor's Office of Planning and Research. Please find the attached 2017 Annual Housing Element Progress Report for your review and information. Also attached is the Housing Successor Annual Report regarding the low and moderate income housing asset fund for Fiscal Year 2016-2017.

Should you have questions regarding the Housing Element Annual Progress Report, please contact Linda Tatum, Planning Bureau Manager, at (562) 570-6261.

Sincerely,

Tom Modica
Interim Director of Development Services

TM:LFT:fn
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Attachments:
A) 2017 Housing Element Annual Report
B) Housing Successor Annual Report Regarding the Low and Moderate Income Housing Asset Fund for Fiscal Year 2016-2017

CC: Linda F. Tatum, Planning Bureau Manager
Patrick Ure, Housing and Neighborhood Services Bureau Manager

Department of Housing and Community Development

ANNUAL HOUSING ELEMENT PROGRESS REPORT

City or County Name: City of Long Beach

Mailing Address: 333 West Ocean Boulevard, 5th Floor, Development Services
Long Beach, California 90802

Contact Person: Linda Tatum Title: Planning Bureau Manager

Phone: 562-570-6261 FAX: _____ E-mail: Linda.Tatum@longbeach.gov

Reporting Period by Calendar Year: from 01/01/2017 to 12/31/2017

These forms and tables, (see sample – next page) must be submitted to HCD and the Governor's Office of Planning and Research (OPR) on or before April 1, of each year for the prior calendar year; submit separate reports directly to both HCD and OPR (Government Code Section 65400) at the addresses listed below:

Department of Housing and Community Development
Division of Housing Policy Development
P.O. Box 952053
Sacramento, CA 94252-2053

-and-

Governor's Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812-3044

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction City of Long Beach

Reporting Period 1/1/2017 - 12/31/2017

Table A

Annual Building Activity Report Summary - New Construction
Very Low-, Low-, and Mixed-Income Multifamily Projects

Housing Development Information									Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions
1	2	3	4				5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes				Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development	Deed Restricted Units	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
			Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income			See Instructions	See Instructions	
Beacon Place	5+	R	158			2	160		TCAC, Other (LBCIC loan), and other (VHHP)	Regulatory agreement	
1950-1960 Henderson	2-4			4			4		RDA		
(9) Total of **Moderate and Above Moderate** from Table A3 ► ►					0	361	361				
(10) Total by income Table A/A3 ► ►			158	4		363	525				
(11) Total **Extremely Low-Income** Units*											

* Note: These fields are voluntary

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Jurisdiction City of Long Beach

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Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)

Please note: Units may only be credited to the table below when a jurisdiction has included a program it its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA whichmeet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity				0	
(2) Preservation of Units At-Risk			44	44	Housing Element Program 1.1 - Preservation of At-Risk Units. 44 affordable units preserved in the Beachwood Apartments.
(3) Acquisition of Units				0	
(5) Total Units by Income	0	0	44	44	

* Note: This field is voluntary

Table A3
Annual building Activity Report Summary for Above Moderate-Income Units (not including those units reported on Table A)

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for **Moderate**						0	
No. of Units Permitted for **Above Moderate**	39	14	308			361	

* Note: This field is voluntary

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Table B

Regional Housing Needs Allocation Progress

Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.			2014	2015	2016	2017	2018	2019	2020	2021	2022	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level		RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
Very Low	Deed Restricted	1,773	0	111	0	158						269	1,504
	Non-deed restricted												
Low	Deed Restricted	1,066	40	8	0							48	1,013
	Non-deed restricted		1			4						5	
Moderate	Deed Restricted	1,170	0	0	0								1,170
	Non-deed restricted												
Above Moderate		3,039	259	31	675	363						1,328	1,711
Total RHNA by COG. Enter allocation number:		7,048	300	150	675	525						1,650	5,398
Total Units ► ► ►													
Remaining Need for RHNA Period ► ► ► ► ►													

Note: units serving extremly low-income households are included in the very low-income permitted units totals.

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Table C

Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.		
Name of Program	**Objective**	**Timeframe in H.E.**	**Status of Program Implementation**
1. HOUSING ASSISTANCE TO, AND PRESERVATION OF, AFFORDABLE UNITS			
1.1 Preservation of At-Risk Units	Annually monitor status of the 1,600 affordable housing units that are at risk of converting to market rate	Ongoing	**Since 2014, affordability in the following projects has been preserved and extended for an additional 55 years:** **• New Hope Home – Preservation of 140 Senior Units. Development Services (DS) supported and assisted with funding applications.** **• Sea Mist Tower, 1451 Atlantic – Preservation of 75 Senior Veteran Units. DS amended previous agreements, and supported and assisted with funding applications.** **• Covenant Manor, 600 E. 4th Street – Preservation of 100 Senior Units. DS amended previous agreements, and supported and assisted with funding applications.** **• Brethren Manor, 3333 Pacific – Preservation of 295 Senior Units. Health and Human Services (HHS) provided tenant protection vouchers and coordinated with the U.S. Department of Housing and Urban Development (HUD). DS supported and assisted with funding applications.** **• American Goldstar Manor, 3021 Goldstar Drive – Preservation of 283 Senior Veteran Units. HHS provided tenant protection vouchers and coordinated with HUD.** **• Beachwood Apartments, 475 W. 5th Street and 505 West 6th Street – Preservation of 45 Family and Disabled Units. Rehabilitation began in December 2017. DS/The LBCIC provided $2.1 million in funding, amended previous agreements, supported and assisted with funding applications, and provided $246,522 in Developer Impact Fee waivers.**

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1.2 Housing Choice Voucher (aka Section 8 Rental Assistance)	•Encourage property owners to accept Housing Choice Vouchers, including working with owners of new rental developments. •Seek to raise the payment standard to expand the stock of eligible rentals, when necessary.	Ongoing	**The Housing Authority currently has an allocation of 6,693 Housing Choice Vouchers and 705 VASH Vouchers. Efforts to encourage owner acceptance are ongoing. Our average utilization of allocated voucher is 85%, and we are using an excess of 100% of our Authorized Budget Authority.**
1.3 First Right of Refusal for Displaced Lower Income Households	By 2016, explore local options to extend first right of refusal to lower income households displaced by private development. Survey other cities to benchmark their requirements for first right of refusal. Report findings to the Planning Commission and City Council in 2017 as part of the Annual Report to HCD for Housing Element Implementation.	Conduct study in 2016 and report to PC/CC in 2017	**In 2017, Development Services staff began working with the City Attorney's office to include first right of refusal for displaced lower income households in pending updates to the Coastal Zone In-Lieu Fee Ordinance and the Condominium Conversion Ordinance.**
2. HOUSING FOR SPECIAL NEEDS RESIDENTS			
2.1 Continuum of Care	•Develop new efficiency units on remaining land at the Villages at Cabrillo with at least half of these units targeted to extremely low income households and the remainder targeted to very low income households. •Continue to support services and programs that are part of the Continuum of Care system for the homeless through the City's annual funding allocation process.	Ongoing	**• In January of 2018, HHS was awarded $8.18 million for the 2017 CoC grant funding competition by U.S. Department of Housing and Urban Development (HUD). The 2017 CoC award provides one-year funding to support 22 currently operating projects providing a mixture of housing and supportive services and two projects for strategic planning and enhanced monitoring activities.** **• In February of 2016, DS received $507,817 grant from the U.S. Department of Housing and Development for the FY 2016/2018 Emergency Solutions Grant (ESG) Program to increase the effectiveness of the ESG program and facilitate the connection with the Long Beach CoC, DS coordinates with HHS to administer and oversee the program. ESG funds provide support to two emergency shelter programs, street outreach and Rapid Rehousing services for homeless households.**

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2.2 Zoning Code Update for Special Needs Housing	•Emergency Shelters: In 2013, the City amended the Zoning Code to permit emergency shelters by right via a ministerial approval process in the Port – IP zone and in PD-31 (Villages at Cabrillo). •Single-Room Occupancy (SRO) Housing: By the end of 2014, amend the Zoning Code to incorporate SRO housing under the provisions for Special Group Residence. Conditions for approval will be objective and pertain to performance standards such as parking, management, and security. Such conditions will be similar to those required for other Special Group Residence uses in the same zone. •Definition of Family: Amend the Zoning Code by the end of 2014 to revise the definition of family to "any group of individuals living together based on personal relationships."	Ongoing; SRO by end of 2014, Definition of family by end of 2014; PD-29 update in 2014; Emergency shelters in IL in 2015	**• The City of Long Beach continues to monitor its zoning regulations to ensure the provision of a range of housing options to the City's special needs population. • On May 23, 2017, the City Council approved a conditional use permit for a behavioral health urgent care center. The center would consist of two main components: (1) a 24- hour psychiatric urgent care facility, consisting of two separate secure units accommodating a total of twelve adults and six juveniles, and (2) a "Crisis Walk-In Center" open 8:00 a.m. to 8:00 p.m., seven days a week. • Emergency shelters are allowed by right in the Port-Related Industrial Zoning District. • In 2015, the Zoning Code was amended to include a definition of SRO and include SRO housing under the definition of Special Group Residence. • In 2015, the Zoning Code was amended to revise the definition of family.**
2.3 Family Self Sufficiency	•Continue to implement the Family Self-Sufficiency Program. •Promote program at City website, newsletters, and brochures at public counters.	Ongoing	**In 2017, 26 participants graduated from the program, and a total of $271,202 in escrow funds was disbursed. A total of $3,680,531 has been disbursed since the program's inception. This program can serve up to 703 participants. It is currently at 60% of its capacity.**

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2.4 HOPWA Tenant-Based Rental Assistance	•Continue to provide assistance to 108 households through the HOPWA Long- Term Tenant-Based Rental Assistance and 120 households through the Short- Term Assistance Program. •Petition for increased funding for program.	Ongoing	**• In Fiscal Year 2017, the Housing Athority was Awarded $1.25 million in grant funds for the HOPWA program. • There are currently a total of 114 households receiving rental assistance and supportive services/case management. We have used 60% of our allocated vouchers in this program toward rental assistance.**
2.5 Universal Design	Evaluate the feasibility of providing additional density bonuses or other incentives for new developments that include universal design (beyond required ADA standards) by 2017	2018	**The draft Land Use Element and Urban Design Element integrate universal design into future development of the City. These plans are expected to be adopted in 2018. The City will further evaluate bonuses or requirements for universal design through building code updates to occur subsequent to the Land Use Element adoption.**
2.6 HOME Security Deposit Assistance	•Provide security deposit assistance to 350 homeless households. This program benefits primarily extremely low income households. •Promote program to nonprofit service providers.	Ongoing	**In Fiscal Year 2017, the Department of Health and Human Services assisted 96 households with security deposit assistance to move from homelessness to permanent, stable housing.**
2.7 VASH (Veterans Affairs Supportive Housing)	Lease up all 495 allocated vouchers by 2014 and pursue additional funding in the future.	Ongoing	**The Housing Authority currently administers 705 VASH vouchers with an overall lease up rate of 70% leasing rate. We currently have 537 units leased up in the program.**
2.8 Continuum of Care Permanent Supportive Housing	Continue to provide voucher assistance to disabled veterans and pursue additional funding in the future.	Ongoing	**The Long Beach Housing Authority and Community Health Bureau continues to work closely with US Veterans and Mental Health America placing hard to serve persons with disabilities through Continuum of Care grants. Of the 94 rental assistance vouchers allocated for SPC and SNAP, thirty-two (32) of these vouchers have been designated to US Vets and sixty-two (62) vouchers to Mental Health America. There are 82 units currently leased, and the lease up rate for the COC program is 80%.**

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2.9 Project-Based Vouchers	Continue to utilize project-based vouchers to provide affordable housing for youth aging out of the foster care system, homeless households, and lower income households.	Ongoing	**In 2017, 39 PBVs were issued for Beacon Place.** **In addition, two RFPs were posted for Project-Based Vouchers. The first RFP resulted in three awards:** **• Beacon Pointe: 120 PBVs** **• The Spark at Midtown: 40 PBVs** **• Las Ventanas Apartment: 40 PBVs** **A second RFP for PBVs was posted in December 2017, and awards will be made in early 2018.**
3. HOUSING AND NEIGHBORHOOD IMPROVEMENT			
3.1 Home Rehabilitation	Provide rehabilitation assistance to 3,032 households (up to 80% AMI) as following: • 250 households with Owner-Occupied Rehabilitation Loans • 350 households with Multi-Family Rehabilitation Loans • 2,000 households with Home Improvement Rebates • 32 households with Mobile Home Repair Grants • 400 households with Tool Rental Assistance	Ongoing	**Owner-Occupied Rehabilitation Loan Program** **In FY17:** **- 4 rehabilitation loans completed** **- 3 approved for construction** ***As of March 2017, applications were suspended pending word from the State as to the fate of the CalHome Rehabilitation Loan Program. As of June 2017, the State withdrew the remaining funds for the program. The State allowed the City of Long Beach to continue processing those applicants who were approved during the interim.** **Multi-Family Rehabilitation Loan** **Total Completed:** **- 156 units completed in 13 projects** **Mobile Home Repair Grant** **The LBCIC authorized a Grant Agreement with Rebuilding Together Long Beach for implementation of a Mobile Home Repair Grant Program for extremely low-income mobile home owners.** **In 2017, 4 grants were awarded, and 8 were approved and will be completed in 2018.** **Tool Rental Assistance** **The City of Long Beach no longer provides a direct Tool Rental Assistance Program and instead allows property owners to request a reimbursement for rented tools as part of the Home Improvement Rebate Program.**

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3.2 Neighborhood Resources	•As funding permits, continue to support neighborhood and community groups with services and technical support. •Advertise services available via City website and newsletter.	Ongoing	**In 2017, the Neighborhood Services Bureau completed the following:** **• Assisted 75 neighborhood and community groups.** **• Provided free meeting space for 84 community meetings hosted by 37 neighborhood and community groups, with a total attendance of 464 individuals.** **• The Center for Civic Mediation offered free and low-cost mediation services to 48 Long Beach residents.** **• Provided publication assistance to 29 neighborhood groups to publish 20,388 copies of monthly newsletters on our community photocopier.** **• Photocopying services for neighborhood groups were provided to 136 community users from 136 organizations made approximately 95,071 other neighborhood documents.** **• Provided computer access to 104 community residents to access free community computers for 8,031 minutes (133 hours, 51 minutes).** **• Provided free Internet access to 104 residents.** **• Provided computer access for residents to produce 10 documents.** **• Hands-on technical assistance on community computers to 10 residents for 1 hour and 35 minutes.**

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Jurisdiction City of Long Beach

Reporting Period 1/1/2017 - 12/31/2017

			• Loaned 543 materials including books and neighborhood event supplies to 55 residents from 55 neighborhood groups. • Educated the community by distributing information from 103 community groups and agencies through 113 e-mail announcements to neighborhood and community leaders. • Provided additional assistance, resources and referrals to 168 callers and 219 walk-in visitors. • Presented information about the NRC's resources to 6 neighborhood and community groups attended by approximately 837 residents and community members. • Provided 29 grant proposal preparation assistance sessions to 30 residents, neighborhood and community groups. • Provided 162 project assistance sessions to 215 residents, neighborhood and community groups. • The NRC served 75 neighborhood associations and community groups -- services included providing neighborhood publication assistance, neighborhood project assistance, providing supplies for neighborhood projects and events, access to meeting room space, and the community computer lab.
3.3 Comprehensive Code Enforcement	•Continue to perform inspections and train residents in nuisance abatement procedures. •Inspect an average of 5,500 multi-family units annually to correct code violations. •Connect City housing rehabilitation programs with code enforcement efforts to ensure assistance is provided to lower income households in making the code corrections and improvements. • Continue to implement the Proactive Rental Housing Inspection Program Ordinance.	Ongoing	**For calendar year 2017, the City inspected 8,737 multiple-family units. The Proactive Rental Housing Inspection Program ordinance has been in place since 2015. This ordinance addresses habitability issues.**

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3.4 Neighborhood Improvement Services	Continue to implement various neighborhood improvement programs, such as Neighborhood Partners, Urban Forestry, Home Improvement Rebates, Neighborhood Clean Up, and Neighborhood Leadership.	Ongoing	**• The Commercial Improvement Rebate Program completed exterior repairs and upgrades at 118 sites and invested $231,133 with additional contributions of $136,720 from the property or business owners.** **• The Business Start-Up Grant assisted 39 new businesses in CDBG eligible areas, and two new businesses in other parts of the City (using the Microenterprise Fund) to complete business training at the Small Business Development Center (SBDC) and receive rebates of $78,000 to assist with start-up business expenses.** **• Neighborhood Clean-Up Assistance Program -- 2,721 volunteers participated in 108 cleanup events and filled 104 dumpsters, removing over 936 tons of debris from Long Beach streets and neighborhoods citywide.** **• Neighborhood Leadership Program -- The Class of 2017 graduated 34 residents, 27 residents live in CDBG-eligible neighborhoods. The total value of the class projects, all four in North Long Beach, was $56,308.**
			The Neighborhood Partners Program provided a total of $28,430 in matching funds to assist neighborhood and community groups to complete three projects. This CDBG investment was further leveraged by an additional $36,495 in community support. Improvements completed include: **• Four traffic signal boxes wrapped with artwork** **• Two speed signs** **• Eight neighborhood identification signs** **• 5,000 groundcover plants (rosemary) were planted around 100 street trees along East 10th Street in the AOC7/Craftsman Village neighborhoods** **• A labyrinth garden was installed at the Villages at Cabrillo in West Long Beach using volunteer labor and maintained by resident volunteers** **• Eleven (11) educational signs were installed throughout The Growing Experience's urban farm in a project that included seniors and youth from Carmelitos public housing in North Long Beach.**

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			I Dig Long Beach -- Neighborhood Services partnered with the community to plant 496 trees in port adjacent neighborhoods: **• 60 trees on Santa Fe Avenue in West Long Beach** **• 131 trees in the Hamilton neighborhood in North Long Beach** **• 23 trees in the Craftsman Village Historic District** **• 55 trees in the Rose Park South neighborhood** **• 58 trees in the College Square neighborhood** **• 94 trees in the Lindsay School/Dooley School neighborhood** **• 22 trees along Broadway in the Alamitos Beach neighborhood** **• 12 trees in Central Long Beach, and 41 trees in Belmont Heights**
			The City of Long Beach also installed 91 sidewalk cuts along Santa Fe Avenue in West Long Beach, along Broadway in Alamitos Beach, and in the Central Area in CDBG-eligible neighborhoods in FY 16-17 that were then planted with trees funded by the Port of Long Beach grant. **Long Beach Development Services Housing and Neighborhood Services Bureau co-hosted a "Brooms Across Long Beach" clean-up of Dr. Martin Luther King, Jr. Avenue and the adjacent neighborhoods on Saturday, February 4, 2017. The "Brooms Across Long Beach" event was a partnership with the Department of Public Works' Environmental Services Bureau, Department of Health and Human Services' Healthy Active Long Beach, and the Department of Parks, Recreation and Marine and 50 neighborhood and community groups, over 200 volunteers. Together, they removed an astounding 41.5 tons of trash and debris and 2 tons of appliances, electronics and tires illegally dumped in the neighborhoods bounded by 7th Street (south), Signal Hill border (north), Alamitos Avenue (east) and Atlantic Avenue (west). Following the clean-up, volunteers were treated to a delicious healthy lunch and resource fair at Dr. Martin Luther King, Jr. Park.**
3.5 Foreclosure Registry	Ongoing implementation of the Foreclosure Registry Ordinance.		**For calendar year 2017, the City opened 606 new cases and closed 613 cases.**

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3.6 Lead-Based Paint Hazard Abatement	The LHC Program has established the following work program for FY 2015 – FY 2018: • Enroll 205 housing units into the program and obtain owner consent to inspect units for lead hazards. • Conduct assessment on 205 units. • Complete abatement for 195 units.	Ongoing	**• Cumulative lead assessments were conducted in 164 low-income residential units for the 2015-2018 grant period, 91 assessments in 2017. • Lead abatement was completed in 160 units for the 2015-2018 grant period, 91 units were abated in calendar year 2017. • To build public awareness regarding the lead abatement program, staff participated in 28 outreach events. • The current 2015-2018 grant is on schedule to remediate lead-based paint hazards in 195 low-income housing units by October 2018.**
4. HOUSING PRODUCTION			
4.1 Affordable Housing Development Assistance	•Annually monitor availability of State and federal funding and partner with affordable housing developers, if necessary, in applying for additional funds. Identify qualified nonprofit developers for partnership in affordable housing construction and acquisition/rehabilitation projects. •Prepare and implement a Housing Action Plan (HAP) in 2015.	Ongoing	**Staff continued to monitor federal and state funding programs, specifically the Affordable Housing and Sustainable Communities Program and County of Los Angeles programs. In 2017, staff supported and assisted with AHSC and County of Los Angeles funding applications for three new developments. Recently Completed: • Anchor Place, Villages at Cabrillo – 119 Units (homeless and disabled veterans and veteran families). HHS provided 75 Project-based Vouchers. DS/The LBCIC provided $4 million in funding, assisted with amendments to the master covenants on the Villages site, supported and assisted with funding applications, provided $666,700 in Developer Impact Fee waivers. Under Construction: • The Beacon (Long Beach & Anaheim Phase II) – 160 units, including 121 special needs senior units and 39 units for formerly homeless veterans. DS/The LBCIC provided $12.276 million in funding, supported and assisted with funding applications, and will provide $890,850 in Developer Impact Fee waivers. Construction began in June 2017. • Beachwood Apartments - 45 units preservation/acquisition/rehabilitation. The LBCIC approved a loan of $2 million to Century Affordable Housing Development for the acquisition of the project. Rehabilitation began in late 2017.**

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction City of Long Beach

Reporting Period 1/1/2017 - 12/31/2017

			Approved: **• 1950-1960 Henderson – 4 Units Family Housing (for sale-family). The LBCIC approved an Exclusive Negotiation Agreement with Habitat for Humanity.** **• 1836-1850 Locust – 48 units (Rental – Family & Special Needs). The LBCIC Approved a Disposition and Development Agreement with Clifford Beers and a loan in the amount of $2,825,000 to the project.** **• 1795 Long Beach Boulevard – 102 Units (Rental – Family & Special Needs). The LBCIC approved a $4,000,000 loan agreement with AMCAL. The City is a joint applicant for up to $18,000,000 in AHSC funding.** **• 1900 Long Beach Boulevard – 95 Units (Rental – Family & Special Needs). The LBCIC Approved a Disposition and Development Agreement with LINC Housing and a loan in the amount of $3,000,000 to the project. The City is joing applicant for up to $15,750,000 in AHSC funding.** **Planning Phase (DS Housing & Neighborhood Services/LBCIC):** **• 14th Street between Pine and Pacific – 11 Units Family Housing (for-sale family housing): The City's ENA with Habitat for Humanity expired in October 2016. The Department has been working with Habitat on project design and financing.**

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction City of Long Beach

Reporting Period 1/1/2017 - 12/31/2017

4.2 Adequate Sites	•Maintain an adequate sites inventory for the remaining RHNA of 7,048 units (886 extremely low income units; 887 very low income units; 1,066 low income units; 1,170 moderate income units; and 3,039 above moderate income units). •Identify additional opportunities for housing through updates to the following: Land Use Element and PD-29 by 2014. •Monitor development trends to ensure availability of sites for residential uses. •Provide sites inventory to interested developers and to assist in identifying additional opportunities for residential development.	Ongoing	**• The City continues to track and maintain an adequate sites inventory for the remaining RHNA. • The pending Land Use Element update includes potential new housing opportunities along commercial corridors as well as increased density opportunities within some existing multifamily housing areas. It is anticipated that this plan will be adopted in 2018. • Additionally, the Midtown Specific Plan was adopted in 2016 (an update of PD-29), and encourages medium to high-density transit-oriented development along Long Beach Boulevard. • These efforts will increase housing opportunities and locate housing near transportation, employment, goods and services. • In 2017, the City Council adopted a set of 29 policy recommendations relating to revenue tools and incentives for the production of affordable and workforce housing, after a public outreach and policy development process led by the Mayor's Affordable and Workforce Housing Study Group and assisted by City staff.**
4.3 Adaptive Reuse	Adoption revisions to the Municipal Code in 2014 to encourage adaptive reuse and once adopted, promote adaptive reuse to property owners and interested developers.		**• The adaptive reuse program became effective January 1, 2014, as part of the new Building Standards Code. The Adaptive Reuse Program and Ordinance streamline the development process for the adaptive reuse of existing historic structures. The City aggressively markets the program and assists developers through the process.**

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction City of Long Beach

Reporting Period 1/1/2017 - 12/31/2017

4.4 Affordable Housing Funding Opportunities	•On an annual basis as part of the City's budget process, the City will regularly evaluate opportunities to direct funding to the Housing Fund. •In accordance with AB 1484, establish an amortization schedule to repay approximately $16.3million in debt owed the Housing Fund from the Downtown Project area related to deferred housing set-aside payments by early 2014, subject to approval by the State Department of Finance. In accordance with AB 1484, establish an amortization schedule by the end of 2014 to repay approximately $8.1 million in debt owed the Housing Fund from the former Redevelopment Agency related to the advance of funds as allowed by AB x4 26 (SERAF), subject to approval by the State Department of Finance.		**• During the Fiscal Year 2016 and 2017 budget process, DS requested additional funding for affordable housing. • As of 2016, all of the SERAF debt has been repaid to the Housing Fund. • In FY-16, the final payment was made on the Downtown Project Area debt, providing a full repayment to the Housing Fund. • In FY-16, the Successor Agency and Oversight Board authorized the former Redevelopment Agency Debt to the City as an enforceable obligation, and submitted it to the State Department of Finance for approval. Twenty percent of any repayments of the City debt must be deposited into the Housing Fund. Disbursements have been deposited into the Housing Fund in FY16 and FY17 and will continue through 2019. • Staff reviews all available state and federal funds for housing on an ongoing basis. Staff has attended several workshops on the Affordable Housing and Sustainable Communities Program (Cap and Trade Funds). Staff assisted with the preparation of two AHSC funding applications in 2017 and the City supported the applications as a joint applicant. • DS has conducted a nexus study to update fees for the Coastal Zone In-Lieu Fee Program and is working with the City Attorney's office to update the Condominium Conversion Ordinance and associated fee schedule.**
5. HOMEOWNERSHIP OPPORTUNITY			
5.1 City First Time Homebuyer Programs	•Assist 25 lower income households with homebuyer assistance. •Promote programs via City newsletters, website, and brochures at public counters. •Pursue additional funding from State housing programs; annually explore funding opportunities with State HCD.	Ongoing	**The LBCIC has provided 16 second mortgage loans to very low- and low-income first-time homebuyers.**
5.2 County First-Time Homebuyer Assistance	Promote program to City residents by providing information on City website, public counters, and other community locations.		**Information on state and county programs is promoted on the DS website, to interested homebuyers, and realtors/lenders.**

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction City of Long Beach

Reporting Period 1/1/2017 - 12/31/2017

6. MITIGATION OF GOVERNMENT CONSTRAINTS			
6.1 Development Incentives	•Continue to offer regulatory incentives to accommodate the development of accessible and affordable housing. •Monitor development trends to determine the continued adequacy of incentives in facilitating affordable housing and augment incentives as necessary. •Promote incentives to interested developers and provide technical assistance through pre-application meetings in the use of various incentives.	Ongoing	**Development Services continues to offer a pre-application process whereby developers can gain early-input on potential development projects and have any fees paid applied to their future Site Plan Review fees. This process provides early input to developers at minimal cost. The City also tracks development activity and assists developers with both the planning and building application and funding process. The adoption of the Midtown Specific Plan also incentivizes and streamlines TOD development.**
7. FAIR AND EQUAL HOUSING OPPORTUNITY			
7.1 Fair Housing	•Continue to participate in fair housing programs and support fair housing services and tenant/landlord counseling services. •Promote programs via City newsletters, website, and brochures at public counters.	Ongoing	**Development Services has renewed its contract with the Long Beach Fair Housing Foundation to provide fair housing services and tenant/landlord consulting services. In 2016, DS prepared an updated Assessment of Fair Housing (AFH) and Analysis of Impediments to Fair Housing Choice (AI). The City's AFH was approved by HUD in April 2017.**
MONITORING AND REVIEW			
8.1 Annual Report	•Present annual progress report to the City Council and submit to HCD.	Ongoing	**The 2016 Annual Progress Report was submitted to the City Council on April 5, 2017 and to HCD on March 24, 2017.**

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction City of Long Beach

Reporting Period 1/1/2017 - 12/31/2017

General Comments:

	Address	Description	Units		Address	Description	Units
1	230 W 3rd	7-story multiple-family dwelling	163	33	209 W Ridgewood	2-story single-family dwelling	1
2	1235 Long Beach	5-story multiple-family dwelling and 7-story mixed use	160	34	181 W Ridgewood	2-story single-family dwelling	1
3	434 E 4th	6-story mixed-use	49	35	206 W Ridgewood	2-story single-family dwelling	1
4	1570 Long Beach	4-story mixed-use	36	36	210 W Ridgewood	2-story single-family dwelling	1
5	227 Elm	4-story townhouse	22	37	202 W Ridgewood	2-story single-family dwelling	1
6	495 The Promenade North	4-story mixed-use	20	38	182 W Ridgewood	2-story single-family dwelling	1
7	227 Elm	4-story townhouse	7	39	186 W Ridgewood	2-story single-family dwelling	1
8	227 Elm	4-story townhouse	7	40	168 W Ridgewood	2-story single-family dwelling	1
9	227 Elm	4-story townhouse	4	41	170 W Ridgewood	2-story single-family dwelling	1
10	45 59th	3-story duplex	2	42	172 W Ridgewood	2-story single-family dwelling	1
11	55 59th	3-story duplex	2	43	176 W Ridgewood	2-story single-family dwelling	1
12	325 Daisy	2-story duplex	2	44	171 W Ridgewood	2-story single-family dwelling	1
13	5543 Daggett	Duplex	1	45	178 W Ridgewood	2-story single-family dwelling	1
14	727 Temple	Duplex	1	46	215 W Ridgewood	2-story single-family dwelling	1
15	1618 Stanton	2-story duplex	1	47	177 W Ridgewood	2-story single-family dwelling	1
16	2654 La Vere	Accessory Dwelling Unit	1	48	211 W Ridgewood	2-story single-family dwelling	1
17	1102 Jackson	Accessory Dwelling Unit	1	49	173 W Ridgewood	2-story single-family dwelling	1
18	4150 Chestnut	Accessory Dwelling Unit	1	50	179 W Ridgewood	2-story single-family dwelling	1
19	1160 59th	Accessory Dwelling Unit	1	51	166 W Ridgewood	2-story single-family dwelling	1
20	2425 Atlantic	Accessory Dwelling Unit	1	52	3780 Wilton	Single-family dwelling	1
21	1962 Henderson	2-story duplex	1	53	3784 Wilton	Single-family dwelling	1
22	1952 Henderson	2-story duplex	1	54	4610 E 4th	2-story single-family dwelling	1
23	1950 Henderson	2-story duplex	1	55	315 Flint	2-story single-family dwelling	1
24	1960 Henderson	2-story duplex	1	56	59 64th	3-story single-family dwelling	1
25	5438 The Toledo	2-story single-family dwelling	1	57	162 St Joseph	2-story single-family dwelling	1
26	110 W Arbor	2-story single-family dwelling	1	58	345 Lakeview	1-story single-family dwelling	1
27	156 W Ridgewood	2-story single-family dwelling	1	59	41 St Joseph	2-story single-family dwelling	1
28	150 W Ridgewood	2-story single-family dwelling	1	60	3225 E 14th	2-story single-family dwelling	1
29	152 W Ridgewood	2-story single-family dwelling	1	61	442 Crystal	2-story single-family dwelling	1
30	1935 Harbor	2-story single-family dwelling	1	62	5769 Corso Di Napoli	Single-family dwelling	1
31	1905 Greenbrier	2-story single-family dwelling	1	63	173 Argonne	Single-family dwelling	1
32	180 W Ridgewood	2-story single-family dwelling	1			Total	525

The Long Beach COMMUNITY INVESTMENT Company 333 W. Ocean Blvd., 3rd Floor • Long Beach, CA 90802 • 562.570.6949 • lbcic.org

MEMORANDUM

DATE: February 21, 2018

TO: Board of Directors
The Long Beach Community Investment Company

FROM: Patrick Ure, President

SUBJECT: **Housing Successor Annual Report Regarding the Low and Moderate Income Housing Asset Fund for Fiscal Year 2016-2017 (Citywide)**

RECOMMENDATION:

Receive and file the Housing Successor Annual Report Regarding the Low and Moderate Income Housing Asset Fund for Fiscal Year 2016-2017 and direct the President to post and distribute the report as required by Section 34176.1 of the California Health and Safety Code.

DISCUSSION

In 2011, the State Legislature approved the dissolution of the state's 400 plus redevelopment agencies (RDAs). The RDAs were officially dissolved as of February 1, 2012. The dissolution provided for the designation of successor agencies to wind down the affairs of the dissolved RDAs, and allowed the agencies that created an RDA to retain the housing assets and functions of the former RDA. The agencies assuming those assets and functions are referred to as housing successors. The City of Long Beach elected to become the housing successor for the former Long Beach Redevelopment Agency, and has delegated the housing successor functions to The Long Beach Community Investment Company (LBCIC).

Subsequent to the dissolution of the RDAs, the Legislature adopted SB 341, which amends the California Health and Safety Code to provide parameters on the use of the remaining low and moderate income housing assets of the housing successors. Among other things, the legislation requires annual reporting on the use of the housing assets for the previous fiscal year. Specifically, housing successors are required to prepare an independent financial audit of the Low and Moderate Income Housing Asset Fund (LMIHAF) within six months of the end of each fiscal year, which may be included in the independent financial audit of the host jurisdiction; prepare a report containing specific information on the use of housing assets during the previous fiscal year; and, post the report on the jurisdiction's website. A copy of the report is also required to be provided with the jurisdiction's annual Housing Element Report due April first of each year.

The City will complete its annual audited financial report by March 31, 2018 as required. A copy of the Housing Successor Annual Report Regarding the Low and Moderate Income Housing Asset Fund for Fiscal Year 2016-2017 (Report) will be posted on the City's website following LBCIC approval, and is provided as Attachment A. The Report includes the following items required by SB 341:

- Amount of Loan Repayments the Successor Agency made to the City During the Fiscal Year (this item was not included in SB 341, but was later made a requirement by SB 107);
- Amount Deposited into the LMIHAF During the Fiscal Year;
- Ending Balance of the LMIHAF;
- Description of Expenditures from the LMIHAF;
- Statutory value of Assets Owned by the Housing Successor;
- Description of Transfers;
- Project Descriptions;
- Status of Compliance with Section 33334.16;
- Description of Outstanding Obligations under Section 33413;
- Income Test;
- Senior Housing Test;
- Excess Surplus Test;
- Inventory of Homeownership Units Subject to Covenants or Restrictions (this item was not included in SB 341, but was later made a requirement by AB 1793).

SUGGESTED ACTION:

Approve Recommendation.

PU:KS

R:\LBCIC\Staff Reports\2018\February\Housing Successor Annual Report FY 16-17.doc

Attachment:

A. Housing Successor Annual Report Regarding the Low and Moderate Income Housing Asset Fund for Fiscal Year 2016-2017.

HOUSING SUCCESSOR ANNUAL REPORT
REGARDING THE
LOW AND MODERATE INCOME HOUSING ASSET FUND
FOR FISCAL YEAR 2016-17
PURSUANT TO
CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)
FOR THE
LONG BEACH COMMUNITY INVESTMENT COMPANY

This Housing Successor Annual Report (Report) regarding the Low and Moderate Income Housing Asset Fund (LMIHAF) has been prepared pursuant to California Health and Safety Code Section 34176.1(f) and is dated as of February 21, 2018. This Report sets forth certain details of the Long Beach Community Investment Company (Housing Successor) activities during Fiscal Year 2016-17 (Fiscal Year). The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information prepared by Housing Successor staff and information contained within the financial records of the Low and Moderate Income Housing Asset Fund Fiscal Year 2016-17. This Report conforms with and is organized into sections I. through XII., inclusive, pursuant to Section 34176.1(f) of the Dissolution Law:

I. **Loan Repayments:** This section provides the amount of funds paid to the City for loans provided to the former Redevelopment Agency of the City of Long Beach.

II. **Amount Deposited into LMIHAF:** This section provides the total amount of funds deposited into the LMIHAF during the Fiscal Year. Any amounts deposited for items listed on the Recognized Obligation Payment Schedule (ROPS) and any funds due as a result of a successor agency repayment of housing loans, former redevelopment agency/City loans, or both must be distinguished from the other amounts deposited.

III. **Ending Balance of LMIHAF:** This section provides a statement of the balance in the LMIHAF as of the close of the Fiscal Year. Any amounts deposited for items listed on the ROPS must be distinguished from the other amounts deposited.

IV. **Description of Expenditures from LMIHAF:** This section provides a description of the expenditures made from the LMIHAF during the Fiscal Year. The expenditures are to be categorized.

V. **Statutory Value of Assets Owned by Housing Successor:** This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.

VI. **Description of Transfers:** This section describes transfers, if any, to another housing successor agency made in previous Fiscal Year(s), including whether the funds are unencumbered and the status of projects, if any, for which the transferred LMIHAF will be used. The sole purpose of the transfers must be for the development of transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing.

VII. **Project Descriptions:** This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.

VIII. **Status of Compliance with Section 33334.16:** This section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, provide a status update on the project.

IX. **Description of Outstanding Obligations under Section 33413:** This section describes the outstanding inclusionary and replacement housing obligations, if any, under Section 33413 that remained outstanding prior to dissolution of the former redevelopment agency as of February 1, 2012 along with the Housing Successor's progress in meeting those prior obligations, if any, of the former redevelopment agency and how the Housing Successor's plans to meet unmet obligations, if any.

X. **Income Test:** This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for five year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met. However, reporting of the Income Test is not required until 2019.

XI. **Senior Housing Test:** This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former redevelopment agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former redevelopment agency and its host jurisdiction within the same time period. For this Report the ten-year period reviewed is October 1, 2007 to September 30, 2017.

XII. **Excess Surplus Test:** This section provides the amount of excess surplus in the LMIHAF, if any, and the length of time that the Housing Successor has had excess surplus, and the Housing Successor's plan for eliminating the excess surplus.

XIII. **Inventory of Homeownership Units Subject to Covenants or Restrictions:** This section provides an inventory of homeownership units assisted by the housing

successor that are subject to covenants or restrictions or to an adopted program that protects the investment of moneys from the Low and Moderate Income Housing Fund.

This Report is to be provided to the Housing Successor's governing body by March 31, 2018. In addition, this Report and the former redevelopment agency's pre-dissolution Implementation Plans are to be made available to the public on the City's website: http://www.longbeachrda.org/publications/redevelopment_implementation_plans/default.asp

I. LOAN REPAYMENTS

During the Fiscal Year, the Successor Agency repaid the City $2,774,551 for loans it provided the former Redevelopment Agency.

II. AMOUNT DEPOSITED INTO LMIHAF

Source	Amount
Loan Repayments	$565,573
Funds Returned to Housing Successor as Equity Share	$74,083
Interest Earned	$82,800
Use of Money & Property	$123,575
Miscellaneous Fees, Charges, Permits	$2,599
Total for Non-ROPS items	**$848,631**
ROPS Requested Reimbursements	
Successor Agency/City Loan Repayment Housing Share (20% of $2,774,551)	$554,910
Total from all sources deposited in FY 2016-17	**$1,403,541**

A total of $ 1,403,541 was deposited into the LMIHAF during the Fiscal Year. Of the total funds deposited into the LMIHAF, a total of $0 was held for items listed on the ROPS.

III. ENDING BALANCE OF LMIHAF

Balance of LMIHAF as of 9/30/17	
Previous Balance	$35,070,312
Current Non-ROPS Deposits	$848,631
ROPS Requested Share of City-Agency Loan Repayment	$554,910
Expenditures	$ (5,777,633)
Ending Balance	**$30,696,220**

At the close of the Fiscal Year, the ending balance in the LMIHAF is $ 30,696,220 of which $0 is held for items listed on the ROPS.

IV. DESCRIPTION OF EXPENDITURES FROM LMIHAF

The following is a description of expenditures from the LMIHAF by category:

Source	Amount
Monitoring	$240,062
Housing Activities	$4,646,070
Administration	$891,501
Total Expenditures in Fiscal Year	**$5,777,633**

V. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR IN LMIHAF

Under the Dissolution Law and for purposes of this Report, the "statutory value of real property" means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer schedule approved by the Department of Finance as listed in such schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of property(ies) purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the Housing Successor.

	As of End of Fiscal Year
Value of Loans Receivable	$58,047,819
Value of Land with Structures (321 7th and 2640 E. Anaheim)	$3,063,563
Value of Land Held for Resale	$1,415,378
Total Value of Housing Successor Assets	**$62,526,760**

VI. DESCRIPTION OF TRANSFERS

The Housing Successor did not make any LMIHAF transfers to other Housing Successor(s) under Section 34176.1(c)(2) during the Fiscal Year.

VII. PROJECT DESCRIPTIONS

The Housing Successor does not receive or hold property tax revenue pursuant to the ROPS.

VIII. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 34176.1 provides that Section 33334.16 does not apply to interests in real property acquired by the Housing Successor on or after February 1, 2012; however, this Report presents a status update on the projects related to such real property.

With respect to interests in real property acquired by the former redevelopment agency *prior* to February 1, 2012, the time periods described in Section 33334.16 shall be deemed to have commenced on the date that the Department of Finance approved the property as a housing asset in the LMIHAF; thus, as to real property acquired by the former redevelopment agency now held by the Housing Successor in the LMIHAF, the Housing Successor must initiate activities consistent with the development of the real property for the purpose for which it was acquired within five years of the date the DOF approved such property as a housing asset.

The following provides a status update on the real property housing assets that were acquired prior to February 1, 2012 and compliance with the five-year period:

Address of Property	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
1900, 1908-10 Long Beach Blvd.	2/23/2007	March 22, 2018	An RFP was released in July 2016, and in 2017 an agreement to negotiate exclusively was executed with Linc Housing. Linc is still in the process of assembling the remaining financing to develop a 95-unit affordable apartment project at the site. Construction is anticipated to begin in early 2019.
1500 Pine Ave Unit 8 COMPLETED	8/03/2011	March 22, 2018	Unit was sold in September 2014 to a low-income buyer.
1339 and 1347 Pine Ave	10/29/2004	March 22, 2018	A conceptual project has been defined and Habitat for Humanity is refining their proposal. A Disposition and Development Agreement is anticipated in 2018.
1411 Pine Ave and 105 W 14th St. COMPLETED	10/29/2004	March 22, 2018	Sold to Habitat for Humanity who then developed two single-family residences which were sold to low-income households.
469 W 17th Street 1718 Magnolia Ave 1730 Magnolia Ave 1732-34 Magnolia Ave 1736 Magnolia Ave	10/31/2006 10/31/2006 4/09/2007 12/29/2006 2/12/2007	March 22, 2018	An RFP is being developed and will be released in 2018

Address of Property	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
1842 Locust Ave	1/29/2007	March 22, 2018	An RFP was released in 2015 and an Exclusive Negotiation Agreement has been entered into with Clifford Beers. A Disposition and Development Agreement has been executed and Clifford Beers is in the process of assembling their remaining financing. Ground breaking is estimated to take place February 2019.
1348 Pacific	1/22/2007	March 22, 2018	A conceptual project has been defined and Habitat for Humanity is refining their proposal. A Disposition and Development Agreement is anticipated in 2018.

No properties were acquired by the Housing Successor using LMIHAF on or after February 1, 2012.

IX. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

Replacement Housing: Based on The Affordable Housing Compliance Plan contained within the former Redevelopment Agency's 2010-2014 Implementation Plan, there were no Section 33413(a) replacement housing obligations to be transferred to the Housing Successor. The former redevelopment agency's Implementation Plans are posted on the City's website at: http://www.longbeachrda.org/publications/redevelopment_implementation_plans/default.asp

Inclusionary/Production Housing. Based on the 2010-2014 Implementation Plan for the former redevelopment agency, there were no Section 33413(b) inclusionary/production housing obligations to be transferred to the Housing Successor. The former redevelopment agency's Implementation Plans are posted on the City's website at: http://www.longbeachrda.org/publications/redevelopment_implementation_plans/default.asp

X. EXTREMELY-LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the AMI. If the Housing Successor fails to comply with the Extremely-Low Income requirement in any five-year report, then the Housing Successor must ensure that at least 50% of the funds remaining in the LMIHAF be expended in each fiscal year following the latest fiscal year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement. This information is not required to be reported until 2019 for the 2014 – 2019 period.

XI. SENIOR HOUSING TEST

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds in the LMIHAF to assist additional senior housing units until the Housing Successor or City provides assistance and construction has commenced on a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The following provides the Housing Successor's Senior Housing Test for the 10-year period of October 1, 2007 – September 30, 2017.

Senior Housing Test	10 Year Test
Number of Assisted Senior Rental Units	521
Number of Total Assisted Rental Units	1,453
Senior Housing Percentage	**36%**

XII. EXCESS SURPLUS TEST

Excess Surplus is defined in Section 34176.1(d) as an unencumbered amount in the account that exceeds the greater of one million dollars ($1,000,000) or the aggregate amount deposited into the account during the Housing Successor's preceding four Fiscal Years, whichever is greater.

The following provides the Excess Surplus test for the preceding four Fiscal Years:

Excess Surplus Calculation	
Sum of Deposits Over Prior Four Fiscal Years	$39,090,059
Current Reporting Year Opening Balance (Oct. 1, 2017)	$35,070,312
Reporting Year Opening Balance Less the of Sum of Deposits Over Prior Four Fiscal Years	$(4,019,747)
Excess Surplus	$0

Excess Surplus exists when the current year opening balance exceeds the greater of: $1,000,000 or sum of prior four years' deposits. As shown above, the current year opening balance is approximately $4,000,000 less than the sum of the deposits made during the last four fiscal years. As a result, an Excess Surplus does not exist.

XIII. INVENTORY OF HOMEOWNERSHIP UNITS SUBJECT TO COVENANTS OR RESTRICTIONS

Homeownership Inventory	
Number of Units Subject to Covenants or Restrictions	305
Number of Units Lost to the Portfolio During FY 2017	10
Reason	Loan pay-off

The housing successor has NOT contracted with any outside entity for the management of the units.