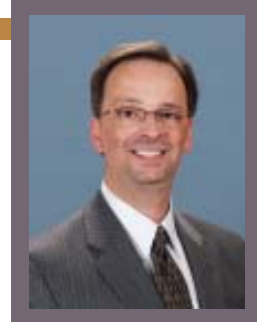


A Letter from the Chair...



Much has been written about the growing disparity between household incomes and housing costs and the need for housing that families with limited incomes can afford. This crisis has increased significantly in recent years, leaving more and more families behind. The City alone cannot solve the housing crisis, but it can and does make significant efforts to improve living conditions for families living in Long Beach, assist first time homebuyers and provide affordable housing units.

The Long Beach Housing Development Company (LBHDC) is the City of Long Beach's nonprofit affordable housing developer. The LBHDC was created to coordinate various housing programs and projects for the City. Including redevelopment housing set-aside funds, 2005 Housing Set-Aside Bond proceeds, federal HOME grant and American Dream Downpayment Initiative grant, the LBHDC has a budget of more than \$47 million for fiscal year 2005-2006.

Over the last several years the City has invested millions in our neighborhoods. The City's Single Family and Multifamily Rehabilitation Loan Programs have been responsible for the rehabilitation of over 5,000 housing units in Long Beach since 1977. Using federal and redevelopment funds over the same period, about 250 new rental and ownership affordable units have been developed, 81 rental units acquired and rehabilitated, and over 2,030 households assisted in becoming new homeowners. Currently, there are 158 new ownership and rental units under construction, 320 apartment units under rehabilitation and 248 units in the predevelopment stage - all made possible through the efforts and resources of the City and the LBHDC.

In 2005, the City Council adopted the Housing Action Plan, which serves as a framework for the allocation of scarce City resources. The plan concentrates on three neighborhoods where the needs are greatest, and promotes coordinated activity with other City departments to maximize the desired outcome to stabilize and revitalize these neighborhoods.

With so many activities, the LBHDC recently adopted a comprehensive communications plan to better communicate its successes, history, projects and programs to Long Beach residents. A quarterly newsletter and an updated website will be just two of the new efforts.

For information about the LBHDC, visit us on-line at: www.lbhdc.org or call (562) 570-6949.

Richard Green, Chair
LBHDC Board

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Q & A

with **Beth Stochl, Vice President**

THE LONG BEACH HOUSING DEVELOPMENT COMPANY

It is the goal of the Long Beach Housing Development Company (LBHDC) to enhance the quality of life for very low, low, and moderate income individuals and families and to meet the specialized housing needs of seniors, disabled, and homeless through the provision and preservation of decent, safe, and affordable housing.

Q. What is your role in creating affordable housing for Long Beach?

A. I administer City funds that must be used for housing low to moderate income households. The City receives these funds from the Federal and State governments, in addition to the Redevelopment Agency. I create programs that address local housing needs, while complying with funding requirements.

Q. Where do you see the city's affordable housing market in five years? 10 years? And what direction do you see the city going?

A. Long Beach is a great city, a hub city between Los Angeles and Orange County. Developers are discovering how wonderful it is to build here, and there has been a lot of high end development. However, there is also existing housing that is older with fewer bedrooms. We are focusing on specific neighborhoods to rehabilitate this housing. The transit corridors will be the primary focus for new construction, both affordable and market rate housing. An important new direction is working with local employers to address the housing needs of their workforce. Jobs and housing are closely tied.

Q. We heard a lot about the Housing Trust Fund—what is it and why do we need it?

A. A local Housing Trust Fund provides us with a long-term, permanent source of funds for housing. Both the State and Federal governments have been sporadic in the provision of housing funds. The level of funds and rules governing the funds often change. The Housing Trust Fund enables Long Beach to have a permanent source of funds and to establish uses of those funds locally.

Q. How can the community get involved and give feedback to the City regarding affordable housing?

A. There are a variety of ways for members of the public to share their ideas and opinions. Contacting their council members is one step. The City's nonprofit, the LBHDC is another forum. LBHDC holds open public meetings monthly. Residents can also speak to LBHDC's staff working in the City's Housing Services Bureau. As projects develop, staff and the developers will hold neighborhood meetings where residents are able to ask questions about their issues and concerns. Wherever there's an interest in having affordable housing in the community, people are always welcome to call us at (562) 570-6949.

Beth Stochl has accepted a position with the City of Los Angeles. Effective September 4, Ellie Tolentino will serve as Acting Bureau Manager for the Housing Services Bureau. Ms. Tolentino will also serve as Vice President of the Long Beach Housing Development Company.



HOUSING DEVELOPMENT DIVISION

We create opportunities to address the housing needs of the low to moderate income residents in our community. We provide funding for the development of affordable rental and ownership properties through The Long Beach Housing Development Company (LBHDC).



Patrick Ure
Housing Development Officer

Current LBHDC Housing Projects



❖ Atlantic Avenue Town Homes ❖

The LBHDC is assembling the 2000 and 2100 blocks of Atlantic Avenue to build approximately 50 for-sale homes.

❖ Neo Zoe ❖

Located at 1500 Pine Avenue, is an \$8 million townhouse development of 22 for-sale affordable units. The LBHDC is providing gap financing in the amount \$3 million for low to moderate-income families.



❖ Olive Villas ❖

A new \$20.8 million development offering 58 for-sale homes for very low-income to market rate income families. The development will consist of 1, 2, 3 and 4 bedroom units featuring energy efficient appliances, green building methods, and is located one block from the Metro Blue Line. The LBHDC has invested \$5.95 million in Olive Villas to assist in making 44 of the 58 units affordable to very-low to moderate-income families.

❖ Pacific City Lights ❖

Located at 1601 Pacific Avenue, is a \$15 million, 42-unit rental development. These 3 and 4 bedroom units will be affordable to very-low and low-income households.



❖ Puerto del Sol ❖

Located at Golden Avenue and 3rd Street, this development will provide 63 affordable units for very-low to low-income families with a total investment by the LBHDC of \$9 million.

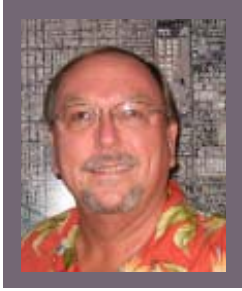
❖ Decro ❖

A rehabilitation of 12 apartment properties scattered throughout the City, which consist of 320 units restricted to lower income families. The LBHDC is investing over \$9 million in improving these properties, in return for 55 years of affordability.



❖ Menorah ❖

Located at Atlantic and Vernon, this development will provide 65 affordable units for very-low income seniors, at a cost to the LBHDC of \$2.8 million.



Larry Montgomery
Housing Rehabilitation Officer

REHABILITATION DIVISION

The Long Beach Housing Development Company and Housing Services Bureau offer or can direct you to programs for first-time homebuyers, including homebuyer education. In addition, low-cost, low interest loans are available to repair your owner-occupied home. Listed below are available programs and contact information to purchase or repair a home in Long Beach.

Home Buying Programs

❖ CalHFA Loan Programs

The California Housing Finance Agency (CalHFA) loan program provides a 30-year below market fixed rate loan. This program can be combined with the CalHFA Housing Assistance Program (CHAP) 3% Downpayment assistance and/or CalHFA Homebuyer's Downpayment Assistance Program (CHDAP) 3% Downpayment and Closing Cost assistance. For more information contact CalHFA at 800-789-2432 or log on to www.calhfa.ca.gov.

Other available Home Buying programs include:

- ❖ CalHFA Interest Only Plus Program
- ❖ Downpayment Assistance Program
- ❖ Extra Credit Teacher Home Purchase Program
- ❖ Mortgage Credit Certificate (MCC)
- ❖ Officer Next Door Program (OND)
- ❖ Police and Firefighter Downpayment Assistance Program
- ❖ Teacher Next Door Program (TND)
- ❖ Veteran's Administration (VA) Home Loan Program

Homeownership Education

❖ First-Time Homebuyer Seminar

First-time homebuyer seminars are held monthly throughout the City of Long Beach. Topics include budgeting and credit, shopping for a home, obtaining financing, renting vs. owning, how to select a realtor and lender, and understanding real estate documents. The cost of the class is \$25, which covers the cost of materials and the presentation. At the end of the eight-hour course, participants will qualify for a certificate of completion. This certificate is required to participate in City of Long Beach home buying programs.

❖ Post-Purchase Homeownership Seminar

After purchasing your home, you can also learn how to "Sustain the Gain of Homeownership". Post-Purchase Homeownership seminars are free and are held quarterly throughout the City of Long Beach.

Home Rehabilitation Programs

❖ Low-Income Homeowner Residential Rehabilitation Loan Program

Low-cost loans at a fixed rate of 3% interest, in most cases with payments deferred until the property is sold, are available to low-income owner-occupants of one-to-four dwelling units on a lot for roofing, electrical, plumbing, foundation, and other home repair needs. Loan maximums range from \$60,000 for one unit, up to \$105,000 for four units. Total gross income of all occupants over 18 must be equal to or less than 80% of the area median income adjusted to family size. Current income limits are listed to the right. Income limits are updated annually. Call Lisa Luna at (562) 570-7188 for further information or to request an application.

❖ Other available Home Rehabilitation Programs include:

Low-cost loans available to rehabilitate apartment buildings with rents affordable to low income renters.

Family Size	Family Income Limits
1	\$38,800
2	\$44,350
3	\$49,900
4	\$55,450
5	\$59,900
6	\$64,300
7	\$68,750
8	\$73,200

For more information contact The Long Beach Housing Development Company at (562) 570-6949 or log on to www.lbhdc.org.



Housing Action Plan

The availability of decent and affordable housing continues to be a problem within the City of Long Beach. As housing in the City continues to age, neighborhoods may continue to deteriorate without city intervention. In order to address the deterioration of neighborhoods within Long Beach, the City developed and adopted a Housing Action Plan (HAP) in 2004. The HAP serves as a framework for the allocation of scarce housing resources. Its' intent is to maximize the utilization of these resources to benefit residents who have the greatest housing need, and at the same time, revitalize and stabilize Long Beach neighborhoods.

To most effectively direct limited resources, the HAP allocates at least 65 percent of the City's housing resources within focus neighborhoods in critical need of assistance. The goal of this approach is to achieve measurable improvement in the quality of life in these neighborhoods through the focused investment of resources.

The three Housing Action Plan Focus Areas are:

- Washington School (Anaheim Street—Pacific Coast Highway/Magnolia Avenue—Long Beach Boulevard)
- Central (PCH—Willow Street/Pacific Avenue—Western boundary of Signal Hill) with emphasis on the Western subarea (PCH—Hill Street/Pacific Avenue—Atlantic Avenue)
- North Long Beach King School (Artesia Freeway—Greenleaf Boulevard {North City limits}/Delta Avenue—Long Beach Freeway)

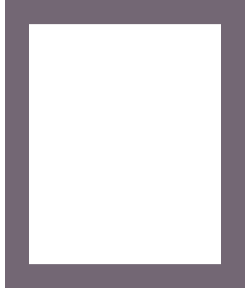
Housing Trust Fund

On June 20, 2006, the Long Beach City Council adopted an ordinance creating the Housing Trust Fund (HTF) in order to augment the City's resources for affordable housing. The need is much greater than can be addressed through the resources available through other means.

While the City has access to a variety of funding sources from the federal, State and local level, most of these funds are used for programs and projects that benefit very low, low and moderate income households, i.e., those households earning between 50% and 120% of the area median income (AMI). However, the City does not have a source of permanent and ongoing revenues to support programs that benefit extremely low income households (those earning below 30% of AMI) or above moderate income households (those earning between 120% and 150% of AMI).

To assist the City with accomplishing its goal to develop more affordable housing for its residents with the most need, the Housing Trust Fund was developed in accordance with the following parameters: 50 percent of funds will be used for above moderate income home ownership and 50 percent of funds will be used for extremely low income housing, either rental or home ownership.

The programs created to accomplish these goals can include assistance in new construction or acquisition and/or rehabilitation; new construction, including special needs; and first-time homebuyer assistance. The length of affordability restrictions on HTF-assisted units is 30 years for home ownership and 55 years for rental. Potential funding sources include transient occupancy taxes, condominium conversion fees, and other contributions or donations.



LEGISLATIVE CORNER

Every quarter, we will share information on legislation that affects affordable housing practices, programs, and funding sources. Our inaugural piece covers an eminent domain initiative that will appear on the November 2006 ballot. This initiative might affect how The Long Beach Housing Development Company develops affordable housing in our community.

WHAT IS EMINENT DOMAIN?

Eminent domain is the power of local, state, and federal governments to take private property for a public use so long as government compensates the property owner. The government can exercise its power of eminent domain even if the owner does not wish to sell his or her property. Traditional examples of “public uses” for which the government might exercise its power of eminent domain include such things as schools, roads, libraries, police stations, and fire stations. In addition to these uses of eminent domain, government has also taken property for public purposes that do not include construction of public facilities. For example, property has been taken to help develop greater value businesses in an area, correct environmental problems, and address public nuisances (such as hazardous buildings, blight, and criminal activity). Generally, only a public benefit is required. Elimination of blight through redevelopment projects, for example, has been held by the Courts to constitute a public benefit that satisfies the “public use” requirement of the federal and state constitutions.

PROPOSITION 90

In November 2006, Proposition 90, an initiative amending the California Constitution, will be placed on the ballot. This constitutional amendment would apply to all public agencies and utilities, and all state and local government property acquisitions. It would impact a wide variety of public projects.

BALLOT INITIATIVE PROVISIONS

The following are some of the potential changes to current eminent domain law under the initiative:

- Prohibits use of eminent domain unless the property acquired is to be owned and occupied by a governmental agency.
- Redefines “just compensation” as the sum of money necessary to place the property owner in the same position monetarily; as if the property had never been taken.
- Changes requirements for property valuation. If the property taken will increase in value after acquisition because of the government’s use, the property owner must be paid at the fair market value assuming government use.
- Redefines “damage” to include government actions that result in economic loss to private property, including practices such as downzoning or height restrictions.
- Requires blight determinations on a parcel-by-parcel basis.



KEY STAFF CONTACTS



Main Telephone# (562) 570-6949
Main Fax # (562) 570-5921
First-Time Homebuyer Programs Hotline: (562) 570-6855
Website: www.lbhdc.org

Board of Directors - The Long Beach Housing Development Company

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Patricia Parga—Bureau Secretary	(562) 570-6359

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LaSean Newman—Secretary	(562) 570-3864

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Heather Murdock—Secretary	(562) 570-7162
Meggan Mensinger—Development Project Manager	(562) 570-5269

Housing Operations

Ellie Tolentino—Housing Operations Officer	(562) 570-6926
Marisa Carino—Secretary	(562) 570-7341
Lee Howard—Development Project Manager	(562) 570-6021
Dale Hutchinson—Budget/Condo Conversion/Tenant Relocation	(562) 570-6840
Mercedes Prado—Regulatory Compliance	(562) 570-6064

Housing Rehabilitation

Larry Montgomery—Housing Rehabilitation Officer	(562) 570-6879
Susie Paternoster—Secretary	(562) 570-6808
Robin Grainger—Project Manager	(562) 570-6373
Esther Luna—Loan Programs	(562) 570-7188
Silvia Medina—Loan Programs/Tenant-Based Assistance	(562) 570-6051
Bob Mossler—Multi-Family Rehab Loan Programs	(562) 570-6017
Marie Nguyen—Single-Family Rehab Loan Programs	(562) 570-6040
Rikki Page—Rehabilitation Inspections	(562) 570-6083
Courtney Richards—First-Time Homebuyer Program/Loan Programs	(562) 570-7487



The Long Beach Housing Development Company
 110 Pine Avenue, 12th Floor
 Long Beach, CA 90802



LBHDC EVENTS CALENDAR

September 2006

- 9/7 Programs Committee Meeting**
 9:00 – 10:30 a.m.
 City Hall, 2nd Floor Conference Room
- 9/12 Projects Committee Meeting**
 8:00 – 10:00 a.m.
 City Hall, 3rd Floor Large Conference Room
- 9/20 Legislative/Advocacy Committee Meeting**
 3:00 – 4:00 p.m.
 City Hall, Council Lounge (Lower Level)
- 9/20 LBHDC Board Meeting**
 4:00 – 6:00 p.m.
 City Hall, 3rd Floor Large Conference Room
- 9/30 First Time Homebuyer Program**
 9:00 – 5:00 p.m.
 Houghton Park \$25
 6301 Myrtle Ave.

October 2006

- 10/4 Executive Review Committee Meeting**
 3:30 – 5:00 p.m.
 City Hall, 3rd Floor Large Conference Room
- 10/5 Programs Committee Meeting**
 9:00 – 10:30 a.m.
 City Hall, 2nd Floor Conference Room
- 10/7 Post Homeownership Seminar**
 9:00 a.m. – 1:00 p.m.
 Silverado Park/Long Beach
 1545 W. 31st Street
- 10/10 Projects Committee Meeting**
 8:00 – 10:00 a.m.
 City Hall, 3rd Floor Large Conference Room
- 10/18 Legislative/Advocacy Committee Meeting**
 3:00 – 4:00 p.m.
 City Hall, Council Lounge (Lower Level)
- 10/18 LBHDC Board Meeting**
 4:00 – 6:00 p.m.
 City Hall, 3rd Floor Large Conference Room



The staff of the Housing Services Bureau and the Long Beach Housing Development Company (LBHDC) Board extend congratulations to Beth Stochl on her new position with the City of Los Angeles.

Effective September 4, Ellie Tollentino will serve as Acting Bureau Manager of the Housing Services Bureau, and Vice President of The LBHDC.

Please confirm meetings by calling (562) 570-6949.

This newsletter is available in an alternate format. Contact Patricia Parga at (562) 570-6359 for additional information.

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