



Date: December 15, 2004

To: *Fal* Gerald R. Miller, City Manager *R.H.*

From: Melanie S. Fallon, Community Development Director *Melan*

For: Bonnie Lowenthal, Councilmember, 1st District

Subject: REDEVELOPMENT DISPLACEMENT ISSUES

The following information is provided in response to Councilmember Lowenthal's inquiries related to the displacement of households for redevelopment activities.

Question #1. Is the number of Latino families displaced through Redevelopment projects here in Long Beach disproportionate?

Response. Attachment No. 1 is a summary of the residential displacements that have occurred for redevelopment activities in the past four years categorized by the ethnic/racial composition of the household. This includes data from the following projects: 1) Renaissance Walk; 2) Mark Twain Library/CRI Relocation; 3) Atlantic Avenue Housing Phase IV; 4) 3rd Street Parking Project; and 5) West Gateway Project. Data for the West Gateway is presented for all four blocks currently being implemented. Since the relocation of residents will be on-going over the course of the next year, the final ethnic/racial composition may differ slightly from the figures presented.

If one looks at the percentage of people displaced for projects in proportion to the racial/ethnic composition of the households in the same census tract, Latino households are generally not being disproportionately displaced for redevelopment activities. While the percentage of Latino households displaced for the West Gateway Project will be higher than the population in the census tract, in the other four projects the percentage of Latino households displaced is less than the population in the census tracts.

If one looks cumulatively at people displaced for all five projects in relation to the racial/ethnic composition of households in the entire city, 45% of the households included in the table are Latino compared to 36% of the City's overall population. This reflects the fact that the redevelopment project areas generally incorporate lower socio-economic neighborhoods, which tend to have a higher non-white population.

Question #2. Is our affordable housing stock that is demolished due to Redevelopment being replaced?

Response. Housing stock removed from the market is defined as "affordable" if the household displaced from that unit is a very-low-, low-, or moderate-income

household. California redevelopment law mandates that this housing stock be replaced, and that it be replaced by housing that is deed-restricted so that the rent charged does not exceed a percentage of the occupants' income. Through the efforts of the Long Beach Housing Development Company, with funding from the Redevelopment Agency and other sources, this housing stock has been replaced and in fact much more affordable housing has been produced.

Attachment No. 2 is the recently completed Redevelopment Agency Housing Compliance Plan included in the Five-Year Implementation Plans for each project area. These plans look back at the past five years of activities and also make projections for the next five years. Since a housing unit is not considered "removed from the market" until it has literally been demolished, the housing that will be removed for the West Gateway developments is included in the projections for the next five years.

Per Table 2 on page 10 of the Housing Compliance Plan, redevelopment activities have removed 118 affordable housing units from the market in the past five years. Conversely, 806 new affordable housing units have been produced. Of this total, 624 units are in North Long Beach within the Northpointe Apartments and the Grisham Community Housing Project. Table 3 on page 11 estimates that in the next five years 263 housing units will be removed for redevelopment activities and 592 new affordable housing units will be produced, including 64 new affordable housing units as part of the West Gateway project. This housing will be new, up-to-code, and available at affordable rates to eligible households.

Question #3. How are residents faced with potential relocation educated as to their potential benefits?

Response. Before a project is initiated by the Redevelopment Agency, it is discussed in community meetings and with the applicable Project Area Committee. Relocation assistance and benefits are discussed at these meetings and Spanish translation is available. For example, four such meetings have been held for the West Gateway residents. At the last one, there was a separate breakout session just for affected residents who wanted to know about relocation. A similar community meeting was held for the block that may be purchased in North Long Beach for a new community center/library.

When implementation actually begins, the Agency uses the services of a consulting company to provide relocation assistance to affected residents and businesses. The use of a private firm that specializes in the provision of relocation assistance ensures that there is full compliance with State relocation laws. This company has traditionally been Overland Pacific & Cutler (OPC), which is one of the most experienced specialists in the State of California and based in Long Beach. Their staff is multi-lingual and all materials are produced in Spanish and other languages if appropriate.

Attachments No. 3 and No. 4 are copies of the general booklet given to each affected household at the onset of the relocation process. No. 3 is in Spanish and No. 4 is in English. Any communication sent to a resident before language is known includes a statement in either Spanish or Khmer that explains that the enclosed information is important and that the resident should contact the person listed for translation if needed.

Question #4. Do we currently have, or can we obtain, statistics indicating the disposition of residents relocated (where they moved, did they buy or rent, etc.)? If not, I believe we should begin this data compilation in a timely manner.

Response. The relocation consultant does have replacement addresses for each household, knows whether they bought or rented, and tracks how much monetary assistance they received. Attachment No. 5 summarizes the number of people who changed from tenant to homeowner as a result of their relocation. This has become somewhat more common recently since lower mortgage rates have made home ownership more affordable.

California relocation law ensures that any household displaced for a public project can move to comparable housing that is decent, safe, and sanitary. The replacement housing must be as good as or better than the project housing. For tenants who have occupied the property for at least 90 days before the Agency's offer to purchase, the amount of monetary payment for replacement housing is the difference between the project rent and the rent for comparable replacement housing for a 42-month period.

For example, if someone is currently paying \$650 for rent and \$1,050 will ensure that they can rent comparable replacement housing, they can receive \$400 per month multiplied by 42 months or \$16,800. If however, the household is low income or overcrowded, additional adjustments are made that can result in payments of \$30,000 or more. This payment is made in one lump sum and can be used as a downpayment to purchase a home.

The table in Attachment No. 5 also shows the average payment received to assist with securing comparable replacement housing. This amount has been increasing each year in response to higher housing costs in Southern California. For example, the average payment for Renaissance Walk, completed in 1999-2000, was \$10,314 while the average payment to date for the West Gateway Project has been \$25,435. Also, in addition to this money provided to secure replacement housing, each household also receives a moving allowance that averages around \$1,000.

Tenants are also eligible to go to the top of the waiting list for a Section 8 housing voucher instead of accepting a Rental Assistance Payment for market rate housing. Acceptance of this option distorts the average payment to some degree. Tenants who choose this option generally receive first and last month's

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rent and security deposit through the relocation program and immediately receive Section 8 housing as long as they are eligible.

I appreciate your patience while we compiled this data with the aid of our consultant and will be glad to provide any additional information you require. If you have any questions about this matter, please contact me directly at 562-570-6570.

MSF:BAK:JVK

- Attachment No. 1 - Summary of Residential Displacements by Race/Ethnicity
- Attachment No. 2 - Housing Compliance Plan
- Attachment No. 3 - Relocation Informational Booklet in Spanish
- Attachment No. 4 - Relocation Informational Booklet in English
- Attachment No. 5 - Summary of Replacement Housing Payments by Project

cc: Mayor and Members of the City Council
Redevelopment Agency Board Members
Reginald I. Harrison, Deputy City Manager
Barbara A. Kaiser, Redevelopment Bureau Manager

ATTACHMENT NO. 1

SUMMARY OF RESIDENTIAL DISPLACEMENTS
 BY RACIAL/ETHNIC COMPOSITION
 REDEVELOPMENT PROJECTS FROM 1999 THROUGH 2004

	City of Long Beach	West Gateway (Four Blocks)	3 rd & Pacific Parking	Atlantic Ave Housing IV	Mark Twain Library/CRI	Renaissance Walk
Project Area	N/A	Central and Downtown	Downtown	Central	Central	Central
# of White Households Displaced		16 out of 103	16 out of 25	8 out of 38	3 out of 18	1 out of 35
% of White Households Displaced		16%	64%	21%	17%	3%
% of White Households in Census Tract	33% Overall	15%	30%	3%	3%	3%
# of Black Households Displaced		17 out of 103	3 out of 25	13 out of 38	7 out of 18	7 out of 35
% of Black Households Displaced		16%	12%	34%	39%	20%
% of Black Households in Census Tract	15% Overall	21%	19%	22%	6%	22%

	City of Long Beach	West Gateway (Four Blocks)	3 rd & Pacific Parking	Atlantic Ave. Housing IV	Mark Twain Library/CRI	Renaissance Walk
# of Latino Households Displaced		62 out of 103	4 out of 25	9 out of 38	6 out of 18	17 out of 35
% of Latino Households Displaced		60%	16%	24%	33%	49%
% of Latino Households in Census Tract	36% Overall	53%	39%	53%	56%	53%
# of Asian Households Displaced		0 out of 103	2 out of 25	8 out of 38	2 out of 18	10 out of 35
% of Asian Households Displaced		0%	8%	21%	11%	29%
% of Asian Households in Census Tract	12% Overall	7%	6%	18%	32%	18%
# of Households Unknown Origin		8 out of 103				
% of Households Unknown Origin		8%				