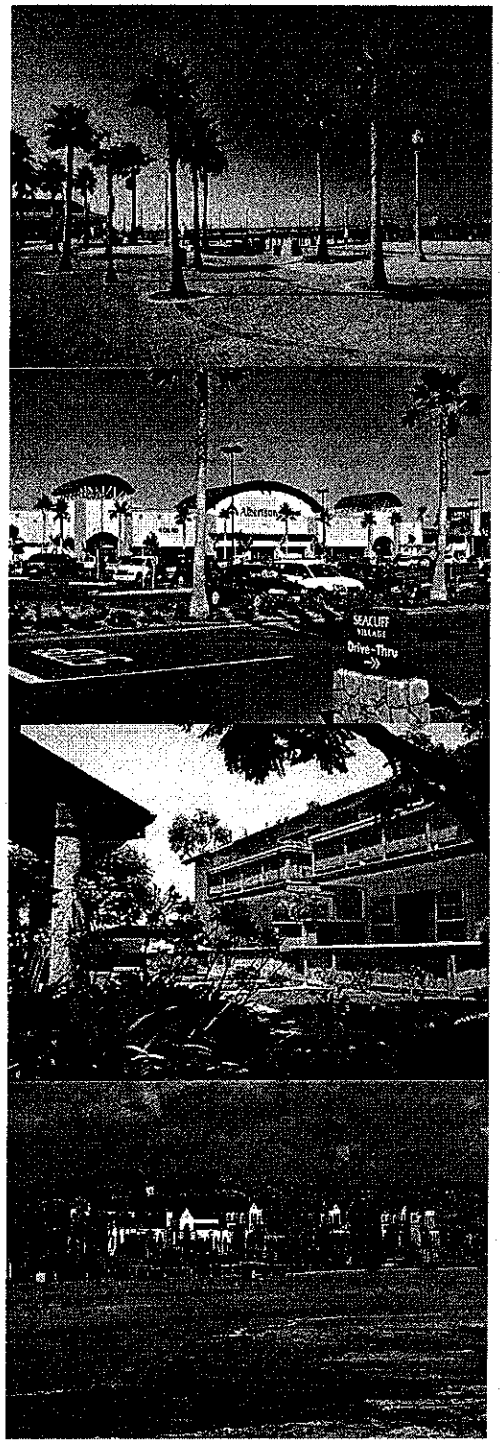

Economic Development Department Overview

"What We Do"

April 17, 2006

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CITY CLERK
CITY OF
HUNTINGTON BEACH

STUDY SESSION #1

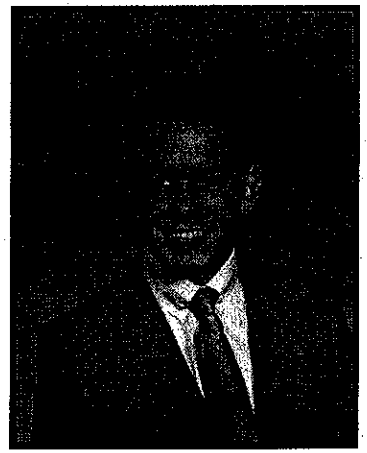
Objective

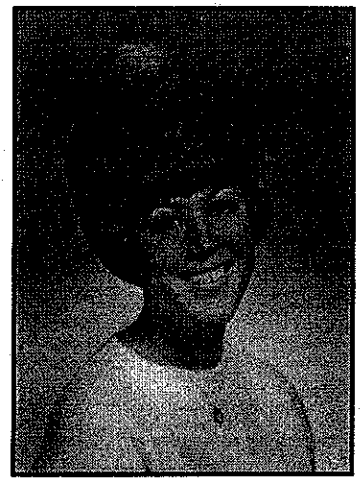
This Council Study Session on Economic Development is a direct result of the City's Strategic Plan.

Divisions

- Business Development
- Redevelopment
- Housing
- Real Estate

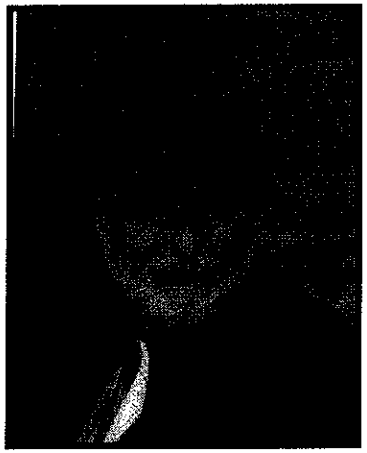
SS 1.4





Economic Development

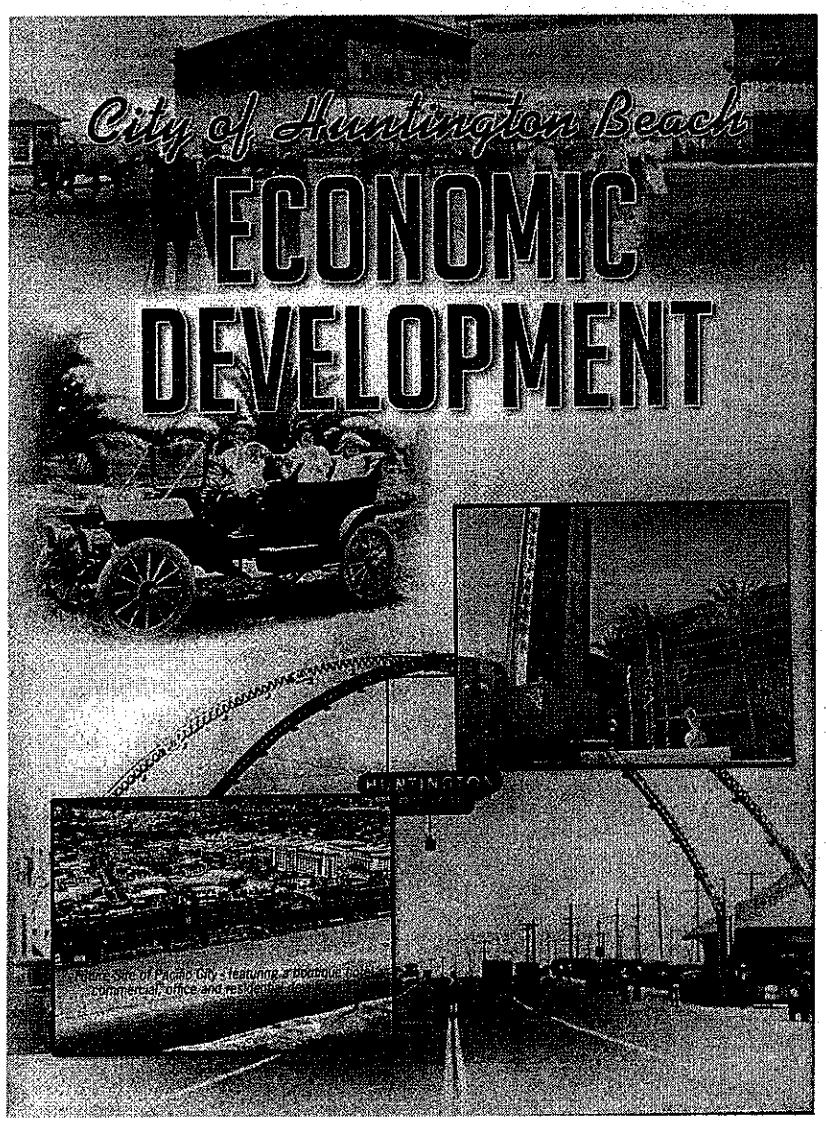
Class of 2006

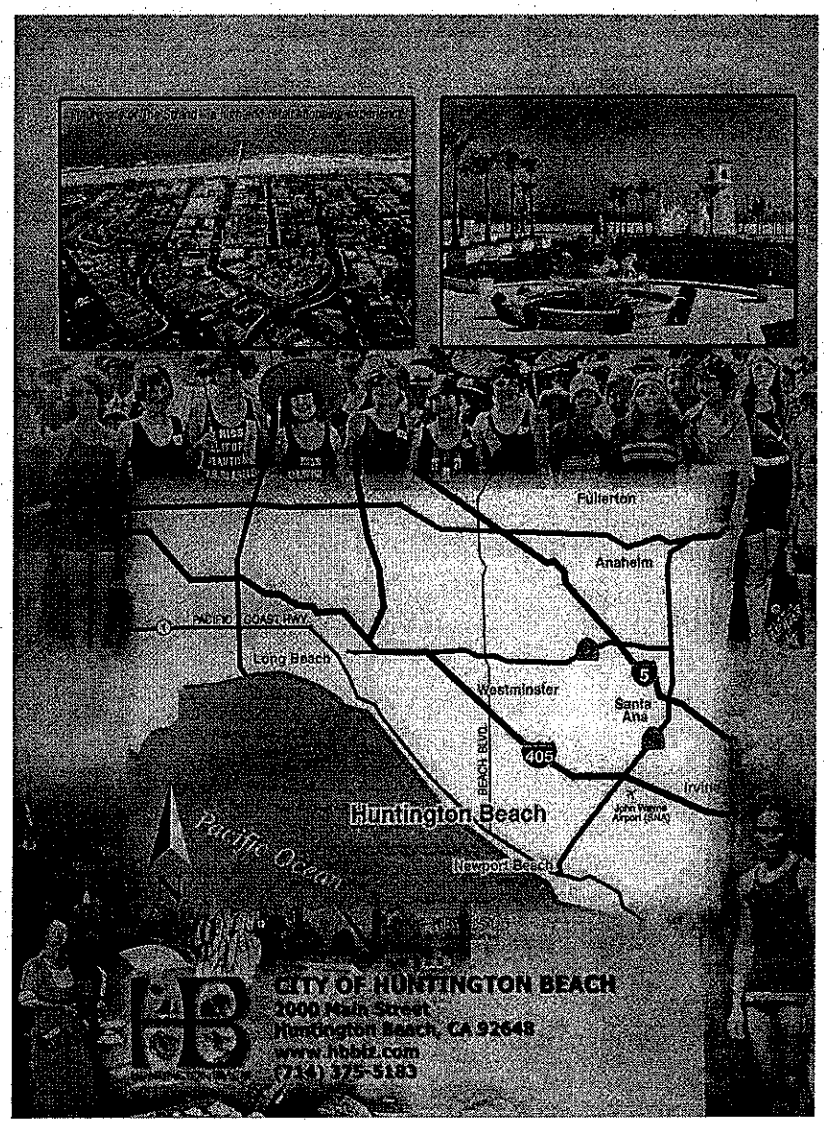


Business Development

Business Assistance

- Business Attraction
- Business Retention
- Business Expansion


City of Huntington Beach
ECONOMIC DEVELOPMENT


Fullerton
Anaheim
Pacific Coast Hwy
Long Beach
Westminster
Santa Ana
405
Beach Blvd.
Irvine
Huntington Beach
Pacific Ocean
Newport Beach
CITY OF HUNTINGTON BEACH
2000 Main Street
Huntington Beach, CA 92648
www.hbbiz.com
(714) 375-5183

Business Development

- Ombudsmanship
- Technical Assistance
  - SBAC
  - Permit Guide
  - Web Site
- Ochoa Job Center
- Sales Tax Agreements
- West Orange County Cities Partnership
- BID's
  - Downtown
  - Hotel/Motel
  - Auto Dealers
- Chamber of Commerce
- Conference & Visitors Bureau
- Industrial Visits
- Site Location

Business Development

- Publications
- Marketing
- Economic Conference
- Trade Shows
- Arts / Crafts Fair
- Surf City VISA

- Special Projects
  - Entry Nodes
  - Leakage Analysis
  - Sales Tax Analysis
  - Pennant Program
  - Retail Center List

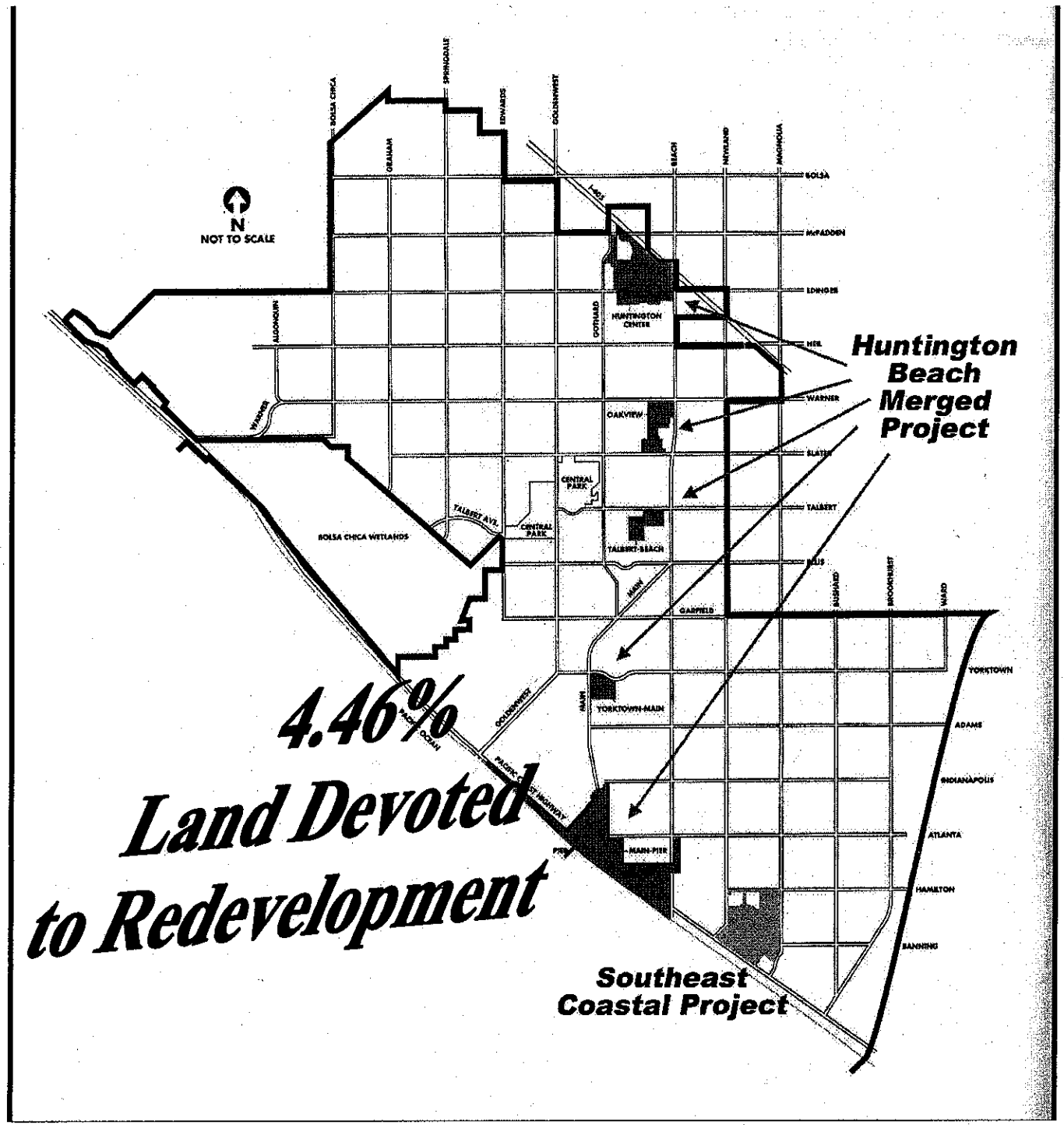
Redevelopment

- Project Areas
- Administration - Procedures
- Tax Increment Financing
  - Housing Set-Aside 20%
  - Pass Through Payments
  - Education Revenue Augmentation Funds (ERAF)
  - Projects

California Health and Safety Code 33000 – 34160

Redevelopment Project Areas

- Huntington Beach Merged Project Area
  - Main – Pier
  - Talbert Beach
  - Yorktown Lake
  - Oakview
  - Huntington Center
- Southeast Coastal Project Area

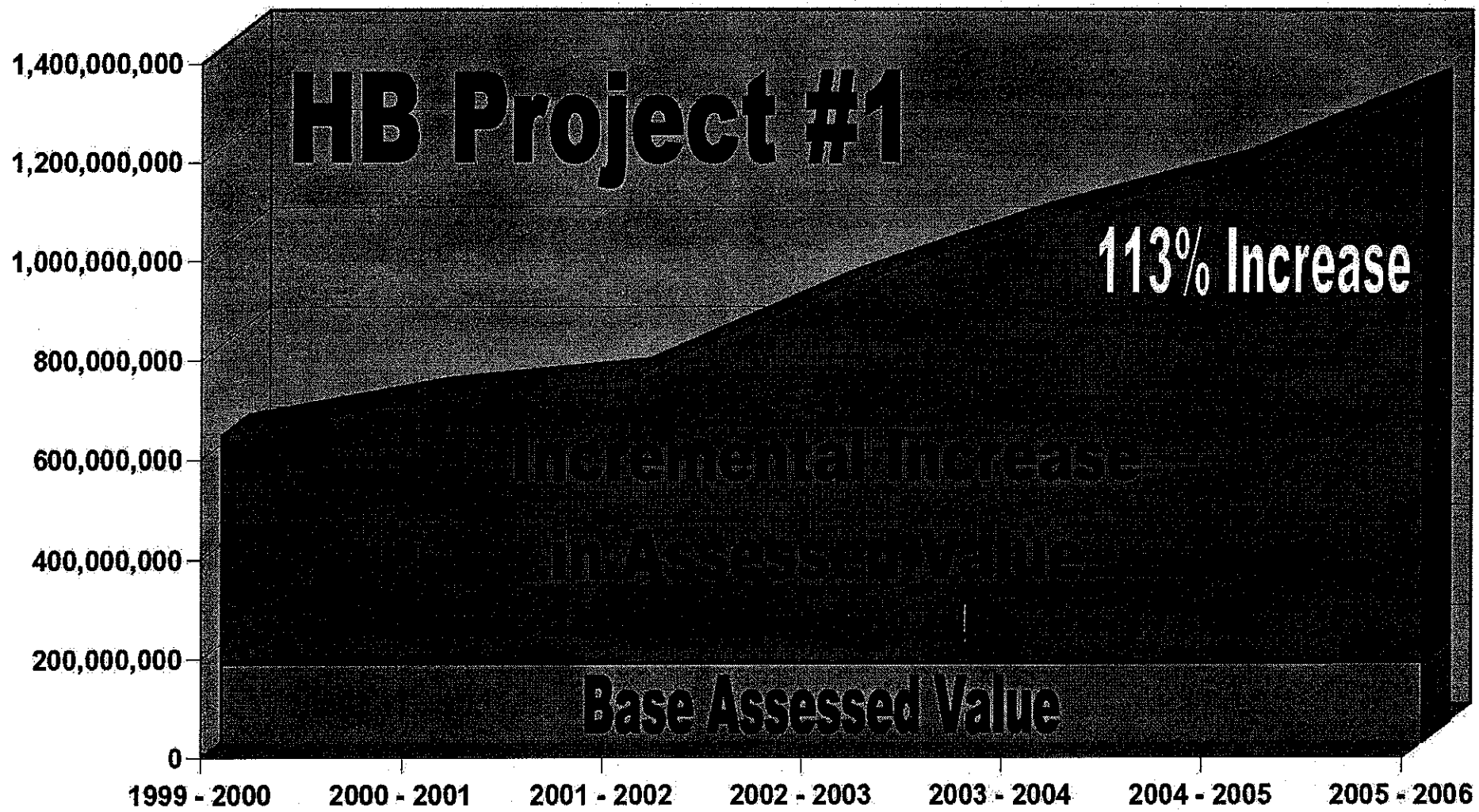

N
NOT TO SCALE
Huntington Beach Merged Project
4.46%
Land Devoted to Redevelopment
Southeast Coastal Project
BOLSA CHICA
SPRINGDALE
EDWARDS
GOLDENWEST
BEACH
NEWLAND
MAGNOLIA
BOLSA
McFADDEN
EDINGER
HUNTINGTON CENTER
GOTHARD
ALGONQUIN
WARNER
OAKVIEW
SLATER
TALBERT
CENTRAL PARK
TALBERT AVE.
BOLSA CHICA WETLANDS
TALBERT-BEACH
MAIN
GARFIELD
RUSHARD
BROOKHURST
WARD
YORKTOWN
YORKTOWN-MAIN
ADAMS
INDIANAPOLIS
ATLANTA
MAIN-PIER
HAMILTON
BANNING

Redevelopment Cycle

- Identify Areas of Blight
  - Incompatible Land Uses
  - Infrastructure Deficiencies
  - Adverse Economical & Physical Conditions
- Adoption of Redevelopment Plans
- Implementation Plans
- Projects
- Reporting
- Termination

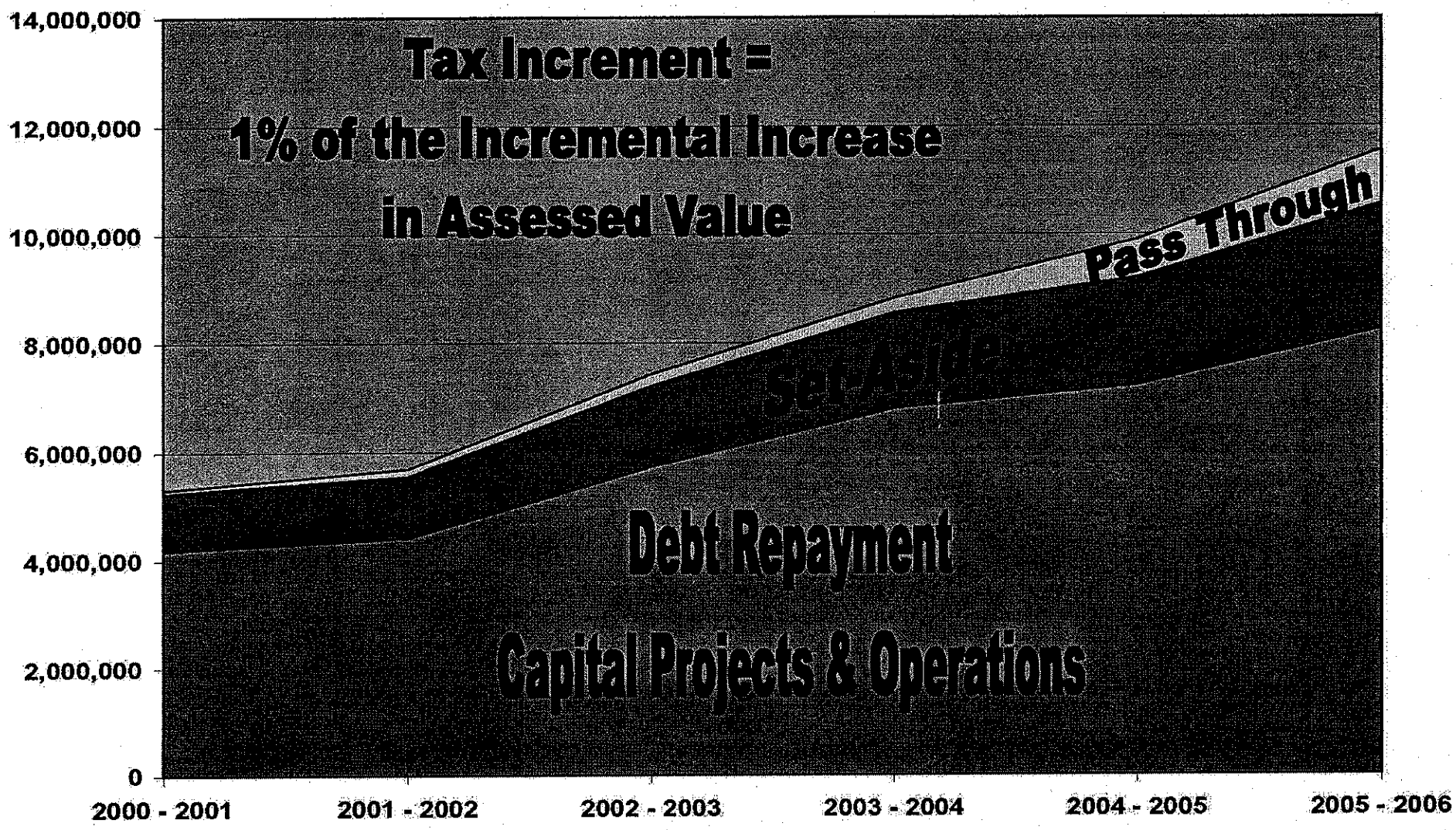
Redevelopment Tool Box

- Financial
  - Issue Bonds
  - Community Facilities Districts
  - Loans
- Agreements
  - Public and Private Partnerships
  - Acquire and Sell Property
  - Public Improvements



FY 2005/2006 Tax Increment $12,590,000

Set Aside $ 2,500,000



FY 2005/2006 Debt Repayment $ 3,343,000

Capital Projects $ 2,100,000

Redevelopment Projects

- The Strand
- Bella Terra
- Pacific City
- Waterfront
- Downtown Promenade
- AES Plant Valuation
- HB Wetlands Wildlife Care Center
- Affordable Housing

Department of Housing & Urban Development (HUD) Grants

The City Receives Three Annual Entitlement Grants

- Community Development Block Grant (CDBG) – $1.6 Million in 05/06
- HOME Investment Partnership Program (HOME)
- American Dream Downpayment Initiative (ADDI)

HUD Grants

- Federally-mandated procedures, policies and reporting requirements
- Projects include:
  - Social Services
  - Infrastructure and Public Facility Construction
  - Affordable Housing Rental Units
  - Housing Rehabilitation Loans

Community Development Block Grant

Benefit low-moderate income residents or areas

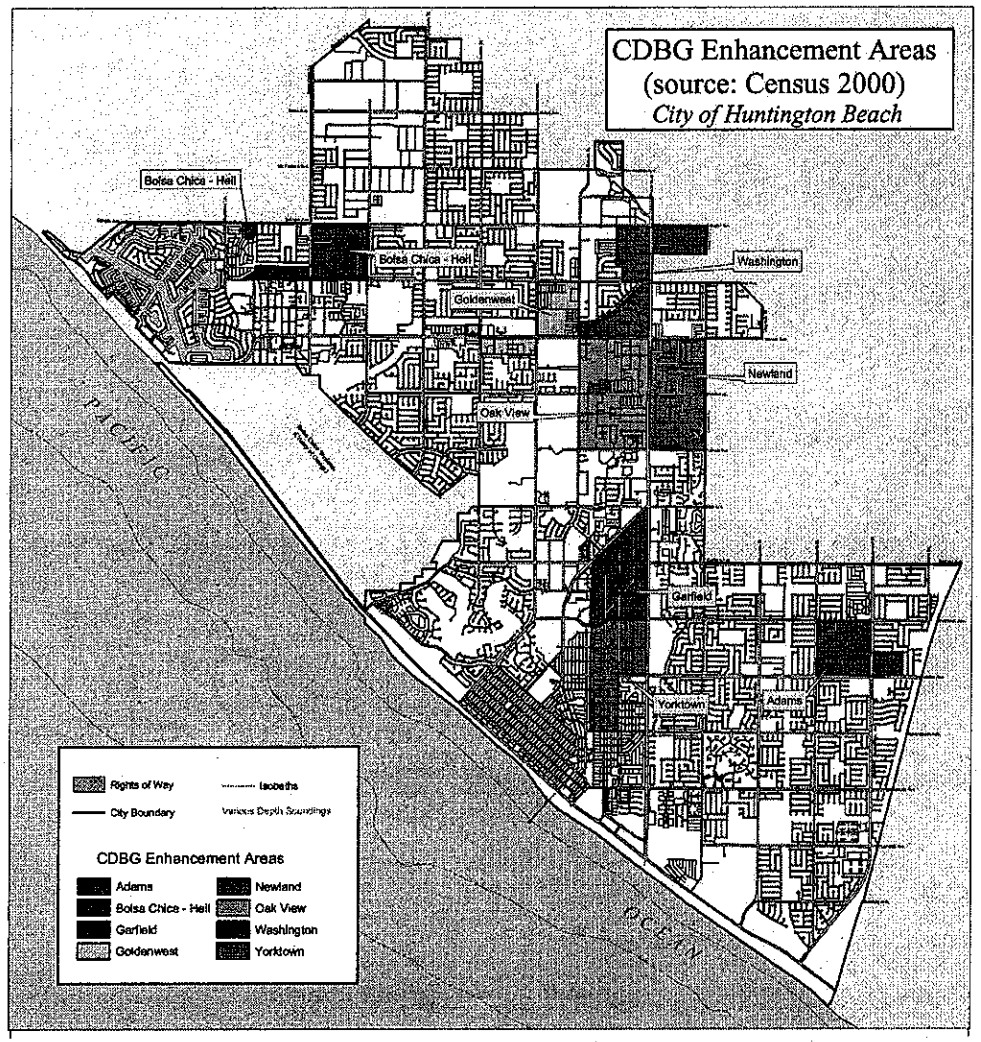
- Figures for a Family of Four (2006)
  - Median Income = $78,300
  - 50% of median = $39,150
  - 80% of median = $62,640

Community Development Block Grant

Funds Used For:

- Administrative Costs
- Fair Housing Council
- Public Services
- Capital Improvement Projects
- Code Enforcement
- Housing Rehabilitation

CDBG Enhancement Areas



Capital projects must lie within "Enhancement Areas"

CDBG – Budget Process

- Citizen Participation Advisory Board (CPAB)
- Monthly community meetings
- Conduct Site Visits to activities
- Staff develops recommendations
- CPAB develops recommendations
- CDBG funding recommendations presented to City Council for approval

HOME Investment Partnership Program

- Low-Moderate Income Housing
- $823,000 in 05/06
- $773,895 in 06/07
- Minimum 15% of funds designated to Community Housing Development Organization (CHDO)
- Economic Development Committee review HOME proposals
- Presented to City Council for approval

American Dream Downpayment Initiative (ADDI)

- HUD's newest grant program
- Exclusively for First Time Homebuyer downpayment assistance
- $28,000 in 05/06
- $14,083 in 06/07
- Currently under review for incorporation into Affordable Housing Program

Affordable Housing

Redevelopment Housing Programs - Housing Set-Aside & HOME Funds

- Acquisition & Rehabilitation
- New Construction
- Second Trust Deeds
- First-Time Homebuyer Loans

Affordable Housing

Zoning Ordinance Programs

- Inclusionary Housing
- Density Bonus
- Single Room Occupancy

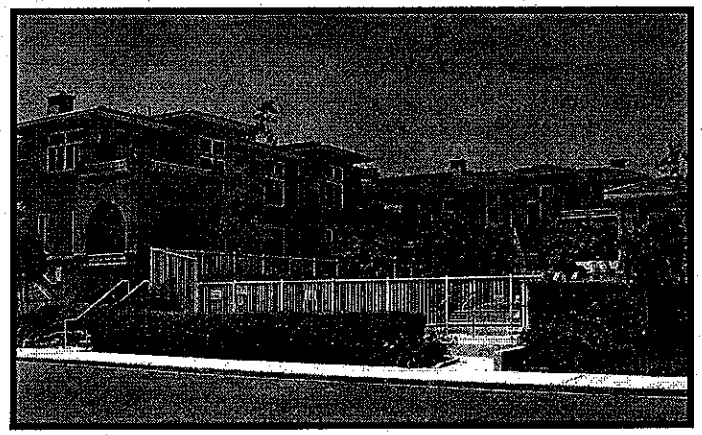
Other City Housing Programs

- Emerald Cove Senior Apts.
- Ocean View Estates Mobile Home Park

Existing Projects

Program	Units	City/Agency Subsidy
Acquisition & Rehabilitation	376	$15,038,813
Housing Development	445	$9,417,000
Inclusionary Housing	549	$79,079
Total	**1,370**	**$24,534,892**

Ownership Projects



- 10 Projects
- Developed Between 1993 – 2005
- Total of 343 Affordable Units
- Average Household Income = $56,245
- Average Household Size = 2.2

Home Loans

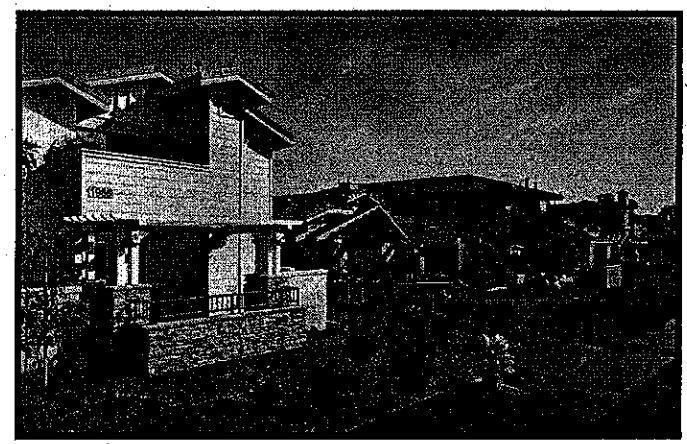
Second Trust Deed & First Time Homebuyer Loans

- Remaining Loans = 17
- Average Loan Amount = $33,371

Rehabilitation Loans

- Total Loans = 259
- Average Loan Amount = $16,891
- Average Household Income = $23,126 (2005)
- Total Loan Portfolio = $3,319,198

Rental Projects



- 25 Rental Projects
- Developed Between 1986 – 2005
- 16 Rehabilitated Properties
- Total of 1,026 Affordable Rental Units

Real Estate Services

- Provide Centralized Real Estate Services
- Negotiate & Administer Real Estate Transactions
- Key Functions Include:
  - Technical Support for Acquisition of Land & Easements
  - Relocation
  - Property Disposition
  - Appraisals and Title Research
  - Leasing of Land & Facilities
  - Strategic Planning for City Property
  - City & Agency Property Inventory

Real Estate Services

Typical Leases & License Agreements

- Beach & Park Concessions
- City Facilities
- Land Leases
- Telecommunications (Cellular Antennas & Equipment)

Real Estate Services

Illustrative Concession Operator Selection Process

- City Issues Request for Qualifications
- Proposals Reviewed
- Proposals Ranked According to: Qualifications, Business Plan, Menu, References
- Lease Terms Negotiated With Highest Ranking Proposer
- Recommended Operator & Lease Terms Submitted to EDC for Consideration
- If Endorsed by EDC, Lease is Submitted for Council Approval

Real Estate Services

Typical Components of Property Acquisition

- Property Valuation
- Purchase Negotiations
- Resident Relocation
- Escrow & Title Coordination

Real Estate Services

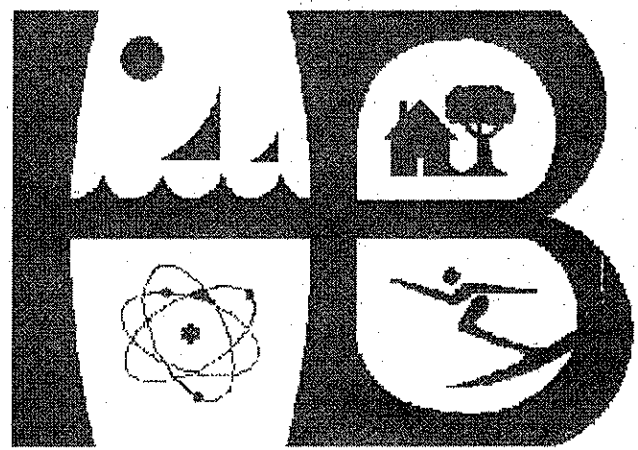
Illustrative Acquisition Process - Fee Interest for Right-of-Way (ROW) Project

- Needs Identified by Public Works
- Property to be Acquired is Appraised
- Project Obtains Environmental Review & Clearance
- If Relocation Is Required Consultant is Hired to:
  - Prepare Relocation Plan
  - Move & Entitlement Process

Real Estate Services

Illustrative Acquisition Process (continued)

- City Makes Offer to Purchase to Property Owner
- Upon Acceptance of Offer, Purchase Agreement is Submitted to Council for Approval
- At Close of Escrow, Property is Transferred to City



Thank you for your support.

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