

M E M O R A N D U M

DATE: November 18, 2020

TO: Board of Directors
The Long Beach Community Investment Company

FROM: Oscar W. Orci, President 

SUBJECT: Award of HOME Funds and Authorization to Execute an Agreement to Negotiate Exclusively with Century Affordable Development, Inc. for the New Construction of Veteran Affordable Rental Housing Units (CD7)

RECOMMENDATION:

1. Approve the selection of Century Affordable Development, Inc. (CADI) for an award of HOME funds in the amount of \$4,000,000; and,
2. Authorize the President or designee to enter into an Agreement to Negotiate Exclusively with CADI for the new construction of affordable rental housing units.

DISCUSSION

The HOME Investment Partnership Program (HOME) was created by the National Affordable Housing Act of 1990. It is the largest federal block grant to state and local governments designed to expand the supply of decent, safe, affordable housing for low-income households. Under the HOME program, the U.S. Department of Housing and Urban Development (HUD) provides formula grants to eligible state and local governments annually to fund a wide range of activities, including building, buying, and/or rehabilitating housing for rent or sale to qualified lower-income households.

On August 27, 2020, staff published a Notice of Funding Availability (NOFA) announcing the availability of approximately \$4,000,000 in HOME funds available to qualified housing development companies for the development of new permanent supportive housing rental units in Long Beach serving veterans or veterans with special needs such a supportive housing, experiencing homelessness, or at risk of becoming homeless (Attachment A). One proposal was received by CADI before the September 30, 2020 deadline.

The proposal submitted by CADI is for the sixth phase of campus development within the 27-acre Century Villages at Cabrillo (CVC). This phase will create 89 new affordable studio housing units for low-income veterans and veterans experiencing homelessness earning 30-60% of Area Median Income (AMI), and one 2-bedroom unrestricted managers unit. The project is located at 2121 W. Williams Street (Site) (Attachment B).

The proposed site for the Phase six development is on the eastern perimeter of the property and is currently improved with three older buildings known as Long Beach Savannah Housing. The buildings contain 40 congregate style units, which are functionally obsolete and will be demolished to make way for a new four story, 72,000 square foot building, comprised of 19,500 sq ft of common space in the first floor, including a visitors' lobby, computer room, study area, classroom, maintenance area, community room, bicycle storage, resident services coordination space and administrative offices. Floors 2-4 are serviced by two elevators and are comprised of 89 studio apartments, all approximately 406 sq. ft, and a two-bedroom managers unit. Laundry facilities are located on the second floor as well as a 3,870 sq ft courtyard. This development will be enriched by supportive services through CVC's Residential Services Team and CVC's network of 30 on-site service providers, including the local Veterans Administration and U.S. Vets.

Due to the strength of their proposal, staff recommends that the LBCIC enter into a six-month Exclusive Negotiating Agreement (ENA) with CADI for the development of the Site. An ENA will give the LBCIC and developer time to work exclusively to determine whether the project is physically and financially feasible. If approved, the ENA will allow the President to extend the term for two additional 90-day periods, if necessary.

The proposed project supports the implementation of the City's Certified Housing Element Program 4.1 (Affordable Housing Development Assistance); therefore, staff supports the approval of an award of HOME funds in the amount of \$4,000,000 and an ENA with CADI.

SUGGESTED ACTION:

Approve Recommendation.

LFT:PU:MS:sm

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Attachment:

- A. NOFA
- B. Site Map