

M E M O R A N D U M

DATE: February 20, 2019

TO: Board of Directors
The Long Beach Community Investment Company

FROM: Linda F. Tatum, President *lt*

SUBJECT: Award of HOME Funds and Authorization to Execute an Agreement to Negotiate Exclusively with Bridge Housing Corporation for the New Construction of Affordable Housing Rental Units.

RECOMMENDATION:

1. Approve the selection of Bride Housing Corporation (Bridge) for an award of HOME funds in the amount of \$4 Million; and,
2. Authorize the President or designee to enter into an Agreement to Negotiate Exclusively with Bridge for the new construction of affordable housing rental 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 December 24, 2018, staff published a Notice of Funding Availability (NOFA) announcing the availability of approximately \$4 Million in HOME funds available to qualified housing development companies (Attachment A) for the development of new affordable rental units in the City of Long Beach. One proposal from Bridge was received by the January 31, 2019 deadline.

The proposal submitted by Bridge will create new housing opportunities for low-income families and special needs populations at the corner of Anaheim Street and Walnut Avenue (Site) (Attachment B). The proposed project will contain 88 residential units and an 18,000-sf health clinic/wellness center in a five-story building. A combination of one-two-, and three-bedroom units ranging from 600 sf to 1,300 sf will be provided throughout the four residential levels. Amenities will include a community outdoor recreation area with tot lot, community garden, a resident community room, and laundry facilities. Bridge currently has site control via a purchase agreement with the City of Long Beach since the Site was formerly owned by the Redevelopment Agency.

Due to the strength of their proposal, staff recommends that the LBCIC enter into a six-month Exclusive Negotiating Agreement (ENA) with Bridge 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 will preserve critical at-risk affordable housing in Long Beach. In addition, the proposed project supports the implementation of Housing Element Program 4.1 (Affordable Housing Development Assistance), and for those reasons, staff supports the approval of an award of HOME funds in the amount of \$4 million and to enter into an ENA with Bridge.

SUGGESTED ACTION:

Approve Recommendation.

LFT:PU:sm

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Attachment:

- A. NOFA
- B. Site Map