

M E M O R A N D U M

DATE: March 18, 2020

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 Mercy Housing California for the New Construction of Senior Affordable Rental Housing Units (CD 6)**

RECOMMENDATION:

1. Approve the selection of Mercy Housing California (Mercy Housing) for an award of HOME funds in the amount of \$3 Million; and,
2. Authorize the President or designee to enter into an Agreement to Negotiate Exclusively with Mercy Housing for the new construction of senior 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 December 2, 2019, staff published a Notice of Funding Availability (NOFA) announcing the availability of approximately \$3 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 serving seniors or seniors with special needs, such as households experiencing homelessness or at risk of becoming homeless. Two proposals were received by the January 21, 2020 deadline.

The 68-unit senior housing proposal submitted by Mercy Housing includes 67 units for low-income seniors age 62 and above, and one unrestricted managers unit. Thirty-four units will be set aside for very low and low-income seniors earning 50-60% of area median income (AMI). The other 33 units will serve seniors earning 30% AMI or below who have experienced homelessness, 18 of which will specifically be set aside for senior veterans experiencing homelessness. A combination of studio and one-bedroom units ranging from 526 to 606 sq ft

will be provided throughout three residential levels. There will also be a community resource center on the ground floor that will offer a flexible space for community partners to offer courses, programming, and health screening to the residents and the greater Long Beach community. Resident amenities will include a community room, courtyard/recreation area, and laundry facilities.

Due to the strength of their proposal, staff recommends that the LBCIC enter into a six-month Exclusive Negotiating Agreement (ENA) with Mercy Housing 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 \$3 million and an ENA with Mercy Housing.

SUGGESTED ACTION:

Approve Recommendation.

LFT:PU:MS:sm

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Attachment:

- A. NOFA
- B. Site Map