

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 Skid Row Housing Trust for the New Construction of Affordable Rental Housing Units (CD1)

RECOMMENDATION:

1. Approve the selection of Skid Row Housing Trust (Skid Row) 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 Skid Row 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 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.

Although the NOFA was for \$3 million, and staff recommended an award of \$3 million to Mercy Housing California, there are sufficient HOME funds in the budget to support the approval of a second proposal.

The proposal submitted by Skid Row will create 142 new affordable rental housing units for low-income families and individuals, and one unrestricted managers unit, at 1401 Long Beach Blvd (Site) (Attachment B). One hundred and five units will be set aside for very low and low-income families and individuals earning 50-60% of area median income (AMI). The other 36 units will serve seniors earning 30% AMI or below who have experienced homelessness, 20 of which will specifically be set aside for senior veterans experiencing homelessness. A combination of one, two, and four-bedroom units ranging from 575 to 1,170 sq ft will be provided throughout six residential levels, with neighborhood serving commercial space on the ground floor. Resident amenities will include a community lounge area and community kitchen.

Due to the strength of their proposal, staff recommends that the LBCIC enter into a six-month Exclusive Negotiating Agreement (ENA) with Skid Row 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 Skid Row.

SUGGESTED ACTION:

Approve Recommendation.

LFT:PU:MS:sm

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Attachment:

- A. NOFA
- B. Site Map