



CITY OF LONG BEACH

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HOUSING AUTHORITY
of the City of Long Beach

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July 14, 2015

HONORABLE HOUSING AUTHORITY COMMISSION
City of Long Beach
California

RECOMMENDATION:

Authorize the Executive Director, or designee, to negotiate and execute a contract agreement with American Gold Star Manor (Phase II), under the project-based component of the HUD notice 2015-07, funding availability for tenant protection vouchers for certain at-risk households in low-vacancy areas. (Citywide)

DISCUSSION

American Gold Star Manor is an affordable housing complex designated for the elderly veteran community. Located in a secure, 23-acre park-like setting on the Westside of Long Beach at 3021 Goldstar Drive, it has been a long-term partner in helping to prevent Veteran Homelessness in Long Beach.

The original structure was established in 1957 as the American Gold Star Home and was incorporated as a charitable, non-profit corporation. In 1973, it became necessary to replace the old buildings which constituted the American Gold Star Home. The current complex, Gold Star Manor, consists of nine three-story buildings and one two-story building, and was funded by the U.S. Department of Housing and Urban Development (HUD). That funding contract has expired and the owner is looking to address modernization needs. HUD has approached the Housing Authority (HA) to administer the new Tenant Protection Vouchers (TPV), which would provide the replacement subsidies to keep the units affordable for current residents.

This contract process would allow the TPV to be attached specifically for use at Gold Star Manor for the 15-year term of the HAP contract. At the January 20, 2015 Housing Authority Commission meeting, approval to project-base 139 TPV for Gold Star Manor (Phase I), under the HUD rental assistance demonstration program Section 3.7.2 of HUD PIH Notice 2012-32, was given. That process is nearly completed and we now have funding from HUD for Phase II of the conversion process. Pursuant to HUD Notice 2015-07, this will provide replacement subsidies for the remaining 209 low-income residents.

Project-basing the TPV, which have been provided by HUD, will establish a consistent viable income stream for the term of the 15-year contract, once executed between the owner and the Housing Authority. This agreement will help to make financing the modernization project feasible, as well as maintaining and controlling costs for the residents.

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After the initial 15-year contract term, future contracts may be renewed subject to the availability of continued HUD funding.

This matter was reviewed by Deputy City Attorney Linda Vu on June 23, 2015 and by Budget Management Officer Victoria Bell on June 24, 2015.

TIMING CONSIDERATIONS

Housing Authority Commission action is requested on July 14, 2015 because the current HUD rent subsidy contract for Phase II of this development has expired. Establishing the project-based contract for these Tenant Protection Vouchers will help protect these tenants who are currently without a subsidy contract.


FISCAL IMPACT

Funding provided by HUD will be passed through the Housing Authority to American Gold Star Manor for approximately 209 new Tenant Protection Vouchers under Phase II. Funding for the administration of the vouchers is provided by HUD, and there is no net cost to the Housing Authority Fund (SR 151).

SUGGESTED ACTION:


Approve recommendation.

Respectfully submitted,



KELLY COLOPY
ASSISTANT EXECUTIVE DIRECTOR

APPROVED:



PATRICK H. WEST
EXECUTIVE DIRECTOR