


M E M O R A N D U M

DATE: January 18, 2023

TO: Board of Directors
The Long Beach Community Investment Company

FROM: Christopher Koontz, President 

SUBJECT: **Award of HOME Funds and Authorization to Execute an Agreement to Negotiate Exclusively with Holos Communities for the New Construction of Affordable Rental Housing Units (District 1)**

RECOMMENDATION:

1. Approve the selection of Holos Communities (Holos) 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 Holos 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 designed to expand the supply of decent, safe, affordable housing for lower-income households. Under the HOME program, the U.S. Department of Housing and Urban Development provides annual formula grants to eligible state and local governments to fund a wide range of activities, including building, purchasing, and/or rehabilitating housing for rent or sale to qualified lower-income households.

On September 20, 2022, staff published a Notice of Funding Availability announcing the availability of \$4,000,000 in HOME funds offered to qualified housing development companies for the creation of affordable housing in Long Beach (Attachment A). One complete proposal was submitted by the November 4, 2022 deadline.

The proposal submitted by Holos Communities (Holos), formerly Clifford Beers Housing, is for the development of two new apartment buildings, comprising 140 total units, located at 521 and 527 East 4th Street (Site) (Attachment B). Except for an unrestricted manager unit in each building, all the apartments will be one-bedroom units affordable to individuals and small families earning between 30 - 80 percent of area median income (AMI), with 75 percent of the units reserved for residents who have experienced homelessness. The proposed project will be built using prefabricated modular construction, decreasing the development timeline and increasing cost efficiency in the

face of rapidly escalating construction costs and supply chain disruptions. Further, the project design incorporates many sustainable/green building elements. On-site supportive services and resident enrichment spaces will be provided.

Holos is a nonprofit corporation that has developed twelve projects with over 500 total units of affordable and supportive housing since founded in 2005. In addition, Holos has nine projects with nearly 600 total units in predevelopment or under construction. Of the 12 projects already operating, four are in Long Beach, including Elm Avenue Apartments, The Courtyards, Immanuel Senior Housing, and most recently Vistas del Puerto completed in 2021.

Due to the strength of their proposal and successful track record in Long Beach, staff recommends that the LBCIC enter into a twelve-month Exclusive Negotiating Agreement (ENA) with Holos 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 six-month 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 Holos.

SUGGESTED ACTION:

Approve Recommendation.

CK:MS:SM

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Attachments:

Attachment A - Notice of Funding Availability

Attachment B - Site Map