

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 

SUBJECT: Award of HOME Funds and Authorization to Execute an Agreement to Negotiate Exclusively with Century Affordable Development, Inc. for the Acquisition and Rehabilitation of 1117 Elm Avenue and 421 West 33rd Street.

RECOMMENDATION:

1. Approve the selection of Century Affordable Development, Inc (Century) for an award of HOME funds in the amount of \$1.1 million; and,
2. Authorize the President or designee to enter into an Agreement to Negotiate Exclusively with Century for the acquisition and rehabilitation of 1117 Elm Avenue and 421 West 33rd Street.

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 \$1.1 Million in HOME funds available to qualified housing development companies (Attachment A) for the acquisition and rehabilitation of existing apartment projects in the City of Long Beach. Two proposals were received by the January 25, 2019 deadline.

The proposal submitted by Century is designed to preserve affordability and rehabilitate 49 affordable units. The proposed development is a scattered site rehabilitation consisting of two properties located at 1117 Elm Avenue (Beachwood Terrace) and 421 West 33rd Street (Cambridge Place) (Attachment B). The properties will be consolidated into a single legal ownership entity and collectively referred to as Woodbridge Apartments (Woodbridge). Collectively, Woodbridge will consist of 49-units comprising of 1 one-bedroom, 31 two-bedroom, 13 three-bedroom apartment units and 4 three-bedroom townhouse units, all consisting of community amenities such as barbecue and picnic areas, courtyards, on-site laundry facilities, gated access, and elevators.

Due to the strength of their proposal, and the team's proven track record on comparable projects within the city, staff recommends that the LBCIC enter into a six-month Exclusive Negotiating Agreement (ENA) with Century 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 \$1.1 Million and to enter into an ENA with Century.

SUGGESTED ACTION:

Approve Recommendation.

LFT:PU:sm

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Attachment:

- A. NOFA
- B. Site Map