

M E M O R A N D U M

DATE: October 16, 2019

TO: Board of Directors
The Long Beach Community Investment Company

FROM: Linda F. Tatum, President *lt*

SUBJECT: **Approval of a CDBG Loan to Century Affordable Development, Inc.
for the Acquisition of 6801 Atlantic Avenue (CD 9)**

RECOMMENDATION:

1. Approve a CDBG loan in the amount of \$1.5 million to Century Affordable Development Inc. for the acquisition of 6801 Atlantic Avenue;
2. Authorize the President to negotiate an Affordable Housing Loan Agreement with Century Affordable Development Inc.; and,
3. Authorize the President or designee to execute any and all documents necessary to implement the Loan Agreement and the project.

DISCUSSION

The Community Development Block Grant (CDBG) is a flexible program that was created by the U.S. Department of Housing and Urban Development (HUD) to provide communities with resources to address a wide range of unique community development needs. It is one of the longest continuously run programs that works to ensure decent affordable housing, a suitable living environment, creates jobs through the expansion and retention of businesses and provides services to the most vulnerable in our communities, primarily for low-and moderate- income persons.

On February 5, 2019, the City Council approved the acquisition of 6841-6845 Atlantic Avenue, commonly referred to as "Atlantic Farms", which served as the site of the winter homeless shelter from 2010 through 2016. The City has identified the property as a potential site for the development of a state of the art village-style campus for homeless services, beginning with the establishment of a year-round shelter. A copy of the City Council Letter (Attachment A) is attached for your reference. The acquisition of the site was completed in July 2019.

On September 30, 2019, Century Affordable Development, Inc. (Century) submitted a request for financial assistance in the amount of \$1.5 million for the acquisition of 6801

Atlantic Avenue, a .92-acre property adjacent to Atlantic Farms (Site). A copy of the request (Attachment B) and a Site map (Attachment C) are attached. The Site currently contains two single family structures that would eventually be demolished to make way for future housing and amenities serving homeless individuals and families. The project could be developed in tandem with the adjacent Atlantic Farms/year-round shelter to create a continuum of housing solutions available to those in need from the short-term respite that a shelter provides to the long-term service-enhanced stability that permanent supportive housing can provide. Once entitled, Century conservatively estimates that a 40-unit housing development can be built on the Site. In addition, the number of units could increase should a master plan be developed for Atlantic Farms together with the subject Site.

Founded in 1995, Century develops and manages affordable and mixed-income apartment communities throughout California. Century has a strong sense of social advocacy, and an interest in innovation to sustain strong relationships with both private and public partners. Since their inception, Century has developed more than 33,000 residential units with investments of over \$1.5 billion. Century owns and operates several successful projects in Long Beach including Family Commons at Cabrillo, Anchor Place and Beachwood Apartments, and is currently constructing The Beacon Apartments.

Century has identified several potential financing sources for the proposed project, including either 4% or 9% Low Income Housing Tax Credits, Multi-Family Housing Program (MHP) funds and Veterans Housing and Homelessness Prevention Program (VHHP) funds both available through the California Department of Housing and Community Development (HCD), No Place Like Home (NPLH) funds through the County of Los Angeles, and Project Based Section 8 Vouchers through the Long Beach Housing Authority, if available.

The proposed project supports the implementation of the City's Certified Housing Element Program 4.1 (Affordable Housing Development Assistance) and is therefore supported by staff. If approved, CDBG funds will be utilized to provide the loan, which will be structured as a residual receipt note with a 3% interest rate and a 55-year term.

SUGGESTED ACTION:

Approve Recommendation.

LFT:PU:MS:SM

Attachments:

- A. February 5, 2019 City Council Letter
- B. Century Request for Financial Assistance
- C. Site Map