



Legislation Details (With Text)

File #: 21-0458 **Version:** 1 **Name:** DS - Union Apartments affordable housing project proposed for development at 1401 Long Beach Blvd D1

Type: Resolution **Status:** Adopted

File created: 4/29/2021 **In control:** City Council

On agenda: 5/18/2021 **Final action:** 5/18/2021

Title: Recommendation to adopt resolution authorizing the submission of an application to the California State Department of Housing and Community Development for up to \$30,000,000 in loan and grant funds available through the Affordable Housing and Sustainable Communities Program; and

Authorize City Manager, or designee, to execute all documents and agreements necessary to apply for and utilize these funds for the construction of the Union affordable housing project proposed for development at 1401 Long Beach Boulevard. (District 1)

Sponsors: Development Services

Indexes:

Code sections:

Attachments: 1. 051821-R-29sr&att.pdf, 2. 051821-R-29 PowerPoint.pdf, 3. RES-21-0053.pdf

Date	Ver.	Action By	Action	Result
5/18/2021	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution authorizing the submission of an application to the California State Department of Housing and Community Development for up to \$30,000,000 in loan and grant funds available through the Affordable Housing and Sustainable Communities Program; and

Authorize City Manager, or designee, to execute all documents and agreements necessary to apply for and utilize these funds for the construction of the Union affordable housing project proposed for development at 1401 Long Beach Boulevard. (District 1)

Skid Row Housing Trust (SRHT) owns the 1.1-acre site located at 1401 Long Beach Boulevard (Site) (Attachment A - Site Map). On March 18, 2020, the Long Beach Community Investment Company (LBCIC) approved an award of \$3 million in HOME Investment Partnerships Program (HOME) funds, to SRHT for construction of the project, which SRHT has named Union. Over the past 14 months SRHT has prepared plans and identified funding for the development of a 160-unit affordable rental housing project on the Site. It is expected that project entitlements will be approved by the Planning Bureau on or before June 3, 2021. SRHT is now assembling the remaining financing for the project, which includes Affordable Housing and Sustainable Community (AHSC) Program funds available from the California Strategic Growth Council and the Department of Housing and Community Development.

Funding for the AHSC Program is provided from the Greenhouse Gas Reduction Fund, an account established to receive Cap-and-Trade auction proceeds. Its primary objective is to

reduce greenhouse gas (GHG) emissions by supporting more compact, infill development projects, encouraging active transportation and transit usage, and protecting agricultural land from sprawl development. The AHSC Program seeks to accomplish these objectives by providing financial assistance to projects that will achieve GHG emission reductions and benefit disadvantaged communities through increased accessibility to affordable housing, employment centers, and key destinations, resulting in fewer vehicle miles traveled and increased use of public transit, bicycling, or walking. Under the AHSC Program, low-interest loans are available as gap financing for rental housing developments that include affordable housing units. In addition, grants are available for both infrastructure improvements and transportation amenities related to affordable housing developments.

The AHSC Program application guidelines highly encourage housing developers to apply jointly with local jurisdictions to demonstrate the requisite experience in the completion of infrastructure improvements and transportation amenities. The AHSC Program is extremely competitive, and SRHT has requested that the City apply jointly with them to increase the chances of receiving an award.

If approved by the City Council, SRHT and the City will jointly apply for up to \$30 million in funding for the Union development, which will include 159 affordable units plus one manager's unit in two mixed-use buildings serving extremely low- to low-income households, with at least 20 units set aside for veterans experiencing homelessness. In addition to 160 one-, two- and three-bedroom apartment units, the development will feature 4,000 square feet of ground floor community serving space and over 20,000 square feet of common open space for residents. Other residential amenities include an onsite resident manager, two community lounge areas with a kitchen, a game room, a greenhouse, laundry facilities in both buildings, rooftop deck space, bicycle storage, and garage parking.

The development will activate a key site in the Midtown Specific Plan area and will provide much needed affordable housing while complementing the adjacent residential and commercial uses. Residents of the development will benefit from the site's adjacency to the Metro A Line (Blue) and bus lines that operate along Long Beach Boulevard.

If the application is successful, loan funds of up to \$20 million will be awarded to a limited partnership to be formed by SRHT for the financing of the project. The City will not be a part of the limited partnership. The loan will be secured by the property, and the limited partnership will be responsible for repayment of the loan with rental revenue generated by the project. In addition, up to \$10 million in grant funds will be awarded and distributed to the limited partnership, or a related entity, for infrastructure improvements and transportation amenities surrounding the project. These improvements include a new Class III Bike Route connecting Pacific Coast Highway to Ocean Boulevard; landscaping and pedestrian improvements, including Americans with Disabilities Act (ADA) curb ramps on 14th Street from Daisy Avenue to Alamo Court; major improvements to the transit stop on the corner of 14th Street and Long Beach Boulevard; as well as three new electric buses, transit service improvements, and a Transit Pass Program to be provided in partnership with Long Beach Transit (LBT).

SRHT and the City will be jointly responsible for ensuring the project is completed and will be responsible for the repayment of disbursed grant funds if the project is not completed. SRHT has agreed to provide the City with an Indemnification Agreement that will cause SRHT to be solely responsible for the repayment of grant funds. In addition, the City will require a Payment and Performance Guarantee, and payment and performance bonds, which will ensure the project is completed. LBT will be a non-applicant partner in the application and will be responsible for a portion of the transportation amenities, if funds are awarded. LBT has also agreed to provide an Indemnification Agreement to the City.

There are no match funds required from the City. However, the application scores points for local financial support. The \$3 million in loan funds awarded to SRHT by the LBCIC and approximately \$890,842 in Developer Impact fee Waivers from the City, consistent with Title 18 of the Long Beach Municipal Code, will count toward local financial support, and will further increase the chances of a successful application. Development Impact Fee Waivers for low-income housing development projects are provided for in Long Beach Municipal Code Sections 18.17.130.B.5, 18.18.120.E, 18.23.110.A.2.e, and 18.22.110.A.2.e

This matter was reviewed by Deputy City Attorney Richard F. Anthony on April 21, 2021 and by Budget Management Officer Rhutu Amin Gharib on April 27, 2021.

City Council action is requested on May 18, 2021, as the application is due on June 8, 2021. A Resolution authorizing the submittal of the application is required in the application package.

With the approval of this recommendation, SRHT and the City will jointly apply for up to \$30 million in funding for the Union development. If the application is approved, loan funds of up to \$20 million will be awarded to a limited partnership to be formed by SRHT for the financing of the project. The City will not be a part of the limited partnership. The loan will be secured by the property, and the limited partnership will be responsible for repayment of the loan with rental revenue generated by the project. In addition, up to \$10 million in grant funds will be awarded to SRHT and distributed to the limited partnership, or a related entity, for infrastructure improvements and transportation amenities surrounding the project. SRHT has agreed to provide the City with an Indemnification Agreement that will cause SRHT to be solely responsible for the repayment of grant funds. In addition, the City will require a Payment and Performance Guarantee, and payment and performance bonds, which will ensure the project is completed. LBT will be a non-applicant partner in the application and will be responsible for a portion of the transportation amenities if funds are awarded. LBT has also agreed to provide an Indemnification Agreement to the City. There are no match funds required from the City. However, the application scores points for local financial support. The \$3 million in loan funds awarded to SRHT by the LBCIC and approximately \$890,842 in Developer Impact Fee Waivers from the City, will count toward local financial support. This recommendation has no staffing impacts beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

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OSCAR W. ORCI
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

THOMAS B. MODICA
CITY MANAGER