



## Legislation Text

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**File #:** 23-1044, **Version:** 1

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Recommendation to adopt Specifications No. RFP DV23-186 and award a contract to Social and Environmental Entrepreneurs (SEE), of Calabasas, CA, as a fiscal sponsor for Long Beach Residents Empowered (LiBRE), of Long Beach, CA, for grant funding to establish a Community Land Trust, in a total amount not to exceed \$800,000, for a period of two years; and, authorize City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary amendments. (Citywide)

City Council approval is requested to enter into a contract with Social and Environmental Entrepreneurs (SEE), acting as a fiscal sponsor on behalf of Long Beach Residents Empowered (LiBRE), for grant funds to establish and operate a Community Land Trust. This grant will serve as seed funding for LiBRE to launch a Community Land Trust and identify additional operational, housing acquisition, and/or development funding to increase the supply of affordable housing in the community.

Community Land Trusts are non-profit, community-based organizations designed to ensure community stewardship of land. While there are various Community Land Trust models in existence providing rental properties, homeownership opportunities, and even commercial and green spaces, the fundamental mechanism that allows for securing affordable housing is by having Community Land Trust own the land and lease it to individuals who live in the homes built on it. These ground lease agreements typically last 99 years and include an affordability covenant. Related to homeownership, Community Land Trusts generally utilize a unique resale formula intended to balance the interests of present homeowners with the long-term affordability goals of the Community Land Trust. Resale formulas may use economic indicators such as the area median income, wages, or consumer price index to determine the home's sales price.

The Community Land Trust will also determine the income groups they aim to serve and subsequently set eligibility standards and affordable rents or prices. The precise income categories and maximum rent requirements will be determined by funding sources however in all circumstances will be for lower-income persons defined as those making less than 80 percent of Area Median Income (AMI) and in most circumstances aimed at very low income residents making less than 30 percent AMI. The Community Land Trust will take into account the requirements set forth by its funding sources, the community needs, and the ownership or rentership models it establishes to determine the conditions for affordability within its properties.

Through acquisition and land stewardship, collaboration with the community and responsiveness to its specific needs, Community Land Trusts provide long-term stability and

resources for individuals and communities to thrive.

## Long Beach Recovery Act

On March 16, 2021, the City Council adopted the Long Beach Recovery Act (LB Recovery Act), becoming one of the first major cities to approve COVID-19 recovery programs made possible through the federal American Rescue Plan Act (ARPA) and other federal and State funding sources. Additional funding adjustments to the LB Recovery Act have been made and have been brought to the City Council as needed. Additional information about the LB Recovery Act is available at [www.longbeach.gov/recovery](http://www.longbeach.gov/recovery) [<http://www.longbeach.gov/recovery>](http://www.longbeach.gov/recovery). As part of the LB Recovery Act, under the Housing Support category, approximately \$1,000,000 has been allocated for the Land Trust Program (Program) to address financial hardships that have been created by COVID-19 and make long-term investment in permanent housing solutions.

## Request for Proposals (RFP) and Contract

During the contract term, the grant awardee will: build an organizational and governance structure that includes community members; prepare and execute appropriate organizational documents; develop a business plan that determines feasible development types and resale formulas; identify development partners and potential funding sources to ensure self-sufficiency in the long-term without additional investment from City of Long Beach (City) resources; and engage with community members in Long Beach.

Either during or after the completion of the contract with the City, the organization will ultimately acquire real estate and maintain a stewardship program by which the affordability and the physical quality of the Community Land Trust's homes are preserved from one owner to the next. The ongoing viability of the Community Land Trust will be dependent upon future funding by private donations or additional grant funding. This seed funding is intended to aid in the establishment and operation of the Community Land Trust so that the organization can find the capital necessary to produce units. The City does not expect units to be created using these funds during the contract term.

The Contract includes the following major terms and provisions:

- Parties: The City and SEE (a fiscal sponsor for LiBRE).
- Deliverables: Establishment of a Community Land Trust.
- Disbursement: An initial disbursement of \$100,000 within three weeks of the contract's execution; Disbursement of \$100,000 quarterly thereafter, at the end of each quarter, provided that the schedule of performance is met.
- Reporting Requirements:
  - o Quarterly reports:

- A narrative description of achievements during the past quarter.
- Proof of payment for all subcontracted work.
- o First annual report is due one year after contract execution and should detail how LiBRE has met each of the first-year milestones as outlined in the RFP:
  - Project Milestone #1: Creation of the Land Trust.
  - Project Milestone #2: Formation of the Governance Structure.
  - Project Milestone #3: Financial Management.
- o Second annual report is due two years after contract execution and should detail how LiBRE has met all remaining milestones:
  - Project Milestone #4: Development/Creation of Affordable Housing Opportunities.

The RFP was advertised in the Long Beach Press-Telegram on December 9, 2022, and 202 potential proposers specializing in housing consulting services were notified of the RFP opportunity. Of those potential proposers, 16 downloaded the RFP via the City's electronic bid system. The RFP document was made available from the Purchasing Division, located on the 6<sup>th</sup> floor of City Hall, and the Division's website at [www.longbeach.gov/purchasing](http://www.longbeach.gov/purchasing) <<http://www.longbeach.gov/purchasing>>. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 44 local, minority-owned, and women-owned business groups. There were three proposals received by the RFP due date, January 31, 2023. Of those three proposers, two were Minority-owned Business Enterprises (MBEs), two were Women-owned Business Enterprises (WBEs), none were certified Small Business Enterprises (SBEs), and two were Long Beach vendors (Local). The selection committee unanimously selected the proposal from SEE acting as fiscal sponsor on behalf of LiBRE.

LiBRE is a local organization with experience in developing Community Land Trusts. Their proposal included detailed information regarding existing funding, letters of support, and a legal framework from Community Land Trust experts.

### **Local Business Outreach**

To align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the Long Beach Buys platform to download RFP specifications. Through outreach, 14 Local vendors were notified to submit proposals, of which nine downloaded or submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Richard Anthony on August 7, 2023, Purchasing Agent Michelle Wilson on August 15, 2023, and by Recovery Budget Officer Dee

Okam on August 21, 2023.

City Council action to adopt Specifications No. RFP DV23-186 and award the contract concurrently is requested on September 12, 2023, to ensure the contract is in place expeditiously.

The LB Recovery Act has identified \$1,000,000 for the Program. After customary overhead and expenses, \$800,000 is available for the actual grant. The total amount of the contract will not exceed the \$800,000 and will be disbursed in quarterly payments of \$100,000 and will be funded through the LB Recovery Act. Sufficient funding for the contract is currently budgeted in the General Fund Group in the Development Services Department. For administrative efficiency and for reporting and auditing purposes, the funding source for this program is the General Fund based on funds made available as a result of the City's approach to using the majority of federal APRA funds to maintain existing City services in compliance with the U.S. Department of Treasury's Final Rule, thereby freeing up General Fund monies for the LB Recovery Act programs. The purpose of this investment is to provide seed funding to advance the formation of a CLT to support the capacity for SEE and LiBRE to identify additional resources for the development of affordable housing opportunities and the ongoing sustainability of the Community Land Trust. The ongoing success of the Community Land Trust is dependent on future funding from private donations or future public funding. There is a possibility that future funding may not be available, which could lead to the dissolution of the Community Land Trust without production of affordable housing. The recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. The number of additional local jobs associated with this recommendation is unknown.

Approve recommendation.

CHRISTOPHER KOONTZ, AICP  
DIRECTOR  
DEVELOPMENT SERVICES

APPROVED:

THOMAS B. MODICA  
CITY MANAGER