



Legislation Text

File #: 21-0687, **Version:** 1

Recommendation to adopt resolution to accept and expend grant funding from the California Department of Housing and Community Development (HCD), in an amount not to exceed \$5,100,000; and

Authorize City Manager, or designee, to execute all necessary documents and any subsequent amendments, including amending the terms or changing the amount of the award, with HCD relating to the grant application and award, for conversion of the City's existing 102-unit interim housing Homekey site at 1725 Long Beach Boulevard into permanent supportive housing for people experiencing homelessness. (District 1)

On May 21, 2021, the California Department of Housing and Community Development (HCD) announced the availability of approximately \$50 million in funding under the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law on March 27, 2020. The CARES Act provides extra CDBG funds specifically targeted to prevent, prepare for, and respond to the coronavirus.

Pursuant to the State's FY 2019-2020 Annual Action Plan Second Substantial Amendment, HCD has set aside approximately \$50 million of its CDBG-CV2 funds to support Homekey projects in non-entitlement or entitlement jurisdictions. These funds are available to California units of local government for projects applied for under the Homekey Notice of Funding Availability (NOFA) that are CDBG-CV2 eligible. Eligible uses include acquisition, rehabilitation, and offsite infrastructure construction necessary for projects to become habitable and fully operational. Applicant projects do not need to have been awarded Homekey funds to be eligible for an award, but they must have applied for funding under the Homekey NOFA.

Awarded funds must be used to provide housing for individuals and families experiencing homelessness or at risk of experiencing homelessness and who are impacted by the COVID-19 pandemic. Eligible grant activities include, but are not limited to, acquisition or rehabilitation of motels, hotels, or hostels; conversion of units from nonresidential to residential in a structure with a certificate of occupancy as a motel, hotel, or hostel; the purchase of affordability covenants and restrictions for units; relocation costs for individuals who are being displaced as a result of rehabilitation of existing units; and, acquisition of other sites and assets, including purchase of apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, and other buildings with existing residential uses that could be converted to permanent or interim housing. The City's existing Homekey property at 1725 Long Beach Boulevard is eligible to receive up

to \$50,000 per door for projects previously assisted under the Homekey program. For the purposes of the application, “door” refers to the number of rooms/units at the start of the project, which may differ from the number of rooms/units after a CDBG-CV2 funded conversion. For those projects undergoing a conversion with CDBG-CV2 funds, the number of units may need to be reduced to accommodate kitchenettes and other amenities. Up to 7 percent of funds may be used for General Administration. Applications will be accepted until August 31, 2021.

Staff intend to apply for funds to offset costs associated with the conversion of the City’s existing 102-unit hotel Homekey property at 1725 Long Beach Boulevard into permanent supportive housing for people experiencing homelessness. A Resolution of the City Council is required by HCD before grant funds can be received.

This matter was reviewed by Deputy City Attorney Sarah E. Green and Budget Analysis Officer Gregory Sorensen on June 28, 2021.

EQUITY STATEMENT

The City has incorporated the Equity Toolkit into this recommendation as requested by the City Council on April 21, 2020. This recommendation will assist people experiencing homelessness in Long Beach who are at increased vulnerability for COVID-19 exposure by providing stability in a non-congregate permanent supportive housing model.

City Council action is requested on July 20, 2021, to submit the grant application by the HCD deadline of August 31, 2021, and to expeditiously begin the conversion process as awards are provided on a rolling basis until grant funds have fully exhausted. CDBG-CV2 Homekey funds must be expended by December 31, 2022. The scope of work to convert the site into permanent supportive housing requires extensive time to secure contractors, rehabilitate the units with required fixtures and amenities suitable for permanent housing, and complete other alterations to accommodate staff and services onsite.

This recommendation authorizes the City to receive up to \$5,100,000 in grant funds to support costs associated with the conversion of an existing hotel facility into permanent supportive housing. HCD guidelines require a Resolution adopted by the City Council to request the anticipated grant funds. A City match is not required to support the conversion activities. Appropriation required to facilitate the conversion will be included in a future City Council action authorizing the acceptance and subcontracting agreement. Existing budgeted positions within the Departments of Development Services, Economic Development, and Health and Human Services will administer this grant and pursue conversion.

This recommendation has minimal staffing impact beyond the budgeted scope of duties, and no increase in personnel is requested. This action is consistent with existing City Council priorities and there is no local job impact associated with this recommendation.

Approve recommendation.

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