



CITY OF LONG BEACH

DEPARTMENT OF HEALTH AND HUMAN SERVICES

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HOUSING AUTHORITY
of the City of Long Beach

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January 20, 2015

HONORABLE HOUSING AUTHORITY COMMISSION
City of Long Beach
California

RECOMMENDATION:

Authorize the Executive Director, or designee, to negotiate and execute an agreement with American Gold Star Manor, under the project based component of the HUD Rental Assistance Demonstration Program, Section 3.7.2 of HUD PIH Notice 2012-32. (Citywide)

DISCUSSION

American Gold Star Manor is an affordable housing complex designated for the elderly veteran community. It is located in a secure, 23-acre park like setting on the westside of Long Beach at 3021 Goldstar Drive and has been a long term partner in helping to prevent veteran homelessness in Long Beach.

The original structure was established in 1957 as the American Gold Star Home and was incorporated as a charitable, non-profit corporation. In 1973 it became necessary to replace the old buildings, which constituted the American Gold Star Home. The current complex Gold Star Manor, consists of nine three-story buildings and one two-story building, was funded by U. S. Department of Housing and Urban Development (HUD). That funding contract has expired and the owner is looking to address modernization needs. HUD has approached the Housing Authority (HA) to administer the new Tenant Protection Vouchers (TPV), which would provide the replacement subsidies to keep the units affordable for current residents.

The property owner has also requested to have the TPV's to become Project Based Vouchers (PBV) pursuant to Section III of HUD PIH Notice 2012-32, Rev. I Section 3.7.2. This contract process would allow the TPVs to be attached specifically for use at Gold Star Manor for the 15-year term of the Housing Assistance Payment (HAP) contract. The current tenants who receive these TPVs can exercise the option to agree to change to Project Based Vouchers (PBV). However, if current tenants are not interested in staying on at Gold Star Manor, then they can opt out and use their TPV at another complex. Those that stay and agree to the project basing of their Tenant Protection Voucher will continue to have their rent made affordable through the project based contract. Finally, for those who agree to project base their TPVs, but need to move from the complex after one year of residency, they may request a regular Housing Choice Voucher (HCV) from the Housing Authority. The HCV will be provided if one is available, and funding is available; otherwise, the resident will be placed on a waiting list for the next available voucher with funding.

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However, their PBV will remain attached to the complex for the next veteran family occupying the unit.

Project basing the TPVs, which have been provided by HUD, will establish a consistent viable income stream for the term of the 15-year contract once executed between the owner and the Housing Authority. This agreement will help to make financing the modernization project feasible as well as maintaining and controlling costs for the residents. After the initial 15-year contract term, future contracts may be renewed subject to availability of continued HUD funding.

This matter was reviewed by Deputy City Attorney Linda Vu and Budget Management Officer Victoria Bell on January 13, 2015.

TIMING CONSIDERATIONS

Housing Authority Commission action is requested at the January 20, 2015 meeting since the current HUD rent supplement contract for this development has expired. Establishing the project-based contract for the Tenant Protection Vouchers will help protect these tenants who are currently without a contract.

FISCAL IMPACT

Funding provided by HUD will be passed through the Housing Authority to American Gold Star Manor for approximately 139 new Tenant Protection Vouchers. Funding for the administration of the vouchers is provided by HUD and there is no cost impact to the Housing Authority Fund (SR 151).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KELLY COLOPY
ASSISTANT EXECUTIVE DIRECTOR

APPROVED:



PATRICK H. WEST
EXECUTIVE DIRECTOR