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M E M O R A N D U M

DATE: May 20, 2020

TO: Board of Directors
The Long Beach Community Investment Company

FROM: Linda F. Tatum, President *lt*

SUBJECT: Award of HOME Funds and Authorization to Execute an Agreement to Negotiate Exclusively with Excelerate Housing Group for the New Construction of Affordable Rental Housing Units (CD4)

RECOMMENDATION:

1. Approve the selection of Excelerate Housing Group for an award of HOME funds in the amount of \$3,000,000; and,
2. Authorize the President or designee to enter into an Agreement to Negotiate Exclusively with Excelerate Housing Group for the new construction of affordable rental housing units.

DISCUSSION

The HOME Investment Partnership Program (HOME) was created by the National Affordable Housing Act of 1990. It is the largest federal block grant to state and local governments designed to expand the supply of decent, safe, affordable housing for low-income households. Under the HOME program, the U.S. Department of Housing and Urban Development (HUD) provides formula grants to eligible state and local governments annually to fund a wide range of activities, including building, buying, and/or rehabilitating housing for rent or sale to qualified lower-income households.

On February 26, 2020, staff published a Notice of Funding Availability (NOFA) announcing the availability of approximately \$3,000,000 in HOME funds available to qualified housing development companies (Attachment A). The NOFA required the development of a minimum of 60 units of new permanent supportive housing units serving households experiencing homelessness, or at risk of becoming homeless. Two proposals were received by the March 27, 2020 deadline. One by The WIN Project and one by Excelerate Housing Group (Excelerate). The proposal submitted by the WIN Project was for the development of four, four-bedroom units restricted to low income families. The proposal did not meet the requirements of the NOFA and was rejected.

The proposal submitted by Excelerate includes 76 new affordable studio apartment units for low-income individuals experiencing homelessness, and one 2-bedroom unrestricted managers unit, at 3590 E. Pacific Coast Hwy (Site) (Attachment B). One hundred percent of the restricted units will be made affordable to individuals experiencing homelessness, or who are risk of homelessness, earning 30-50% of area median income (AMI) and receiving services from the Los Angeles Department of Health Services (DHS). Resident amenities will include supportive service offices, multipurpose room, community kitchen, laundry facilities, flexible open space, and exterior recreational space with picnic tables, BBQ's and landscaping.

Due to the strength of their proposal, staff recommends that the LBCIC enter into a six-month Exclusive Negotiating Agreement (ENA) with Excelerate for the development of the Site. An ENA will give the LBCIC and developer time to work exclusively to determine whether the project is physically and financially feasible. If approved, the ENA will allow the President to extend the term for two additional 90-day periods, if necessary.

The proposed project supports the implementation of the City's Certified Housing Element Program 4.1 (Affordable Housing Development Assistance), therefore, staff supports the approval of an award of HOME funds in the amount of \$3,000,000 and an ENA with Excelerate.

SUGGESTED ACTION:

Approve Recommendation.

LFT:PU:MS:sm

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Attachment:

- A. NOFA
- B. Site Map