


M E M O R A N D U M

DATE: January 4, 2022

TO: Board of Directors
The Long Beach Community Investment Company

FROM: Oscar W. Orci, President 

SUBJECT: Award of up to \$5 Million in Funding and Authorization to Execute an Agreement to Negotiate Exclusively with AMCAL Multi-Housing, Inc. for New Construction of Affordable Rental Housing Units (District 1)

RECOMMENDATION:

1. Approve the selection of AMCAL Multi-Housing, Inc. for an award of up to \$5 Million in LMIHAF and/or PLHA funds; and,
2. Authorize the President or designee to enter into an Agreement to Negotiate Exclusively with AMCAL Multi-Housing, Inc. for the development of new construction of affordable rental housing units. (District 1).

DISCUSSION

The City of Long Beach (City) is the Housing Successor to the Long Beach Redevelopment Agency. In accordance with California Health and Safety Code (HS&C) Section 34176 (d), the Housing Successor established a Low- and Moderate-Income Housing Asset Fund (LMIHAF). Eligible activities for the use of these funds include new construction of rental units, and the acquisition and rehabilitation of existing apartment projects for low-and-moderate income households. The Housing Successor has delegated the responsibility for allocating monies in the LMIHAF to the Long Beach Community Investment Company.

The Permanent Local Housing Allocation (PLHA) program was created in 2017 by Senate Bill 2 (SB 2), part of a 15-bill housing package aimed at addressing the state's housing shortage by establishing a permanent source of funding intended to increase the affordable housing stock in California. The legislation (SB 2) created a dedicated revenue source and directs the California Department of Housing and Community Development to use revenue from SB 2 to provide financial assistance to local governments for eligible housing-related projects. Eligible activities include development of new multifamily rental housing, or substantial rehabilitation of multifamily rental housing, serving households at or below 60 percent of AMI. The use of PHLA funds may require City Council approval.

On May 27, 2021, staff published a Notice of Funding Availability (NOFA) announcing the availability of \$5 Million in LMIHAF and/or PLHA funds available to qualified housing development companies (Attachment A – Notice of Funding Availability) for the development of new family affordable rental units in Long Beach serving households earning at or below 60 percent of AMI. Two excellent proposals were received by the July 30, 2021 deadline. There are sufficient LMIHAF and PLHA funds available to select both proposals. The second proposal is discussed under separate cover.

The proposal submitted by AMCAL Multi-Housing includes purchase of unused buildings and parking lot at 946 Linden Avenue, currently owned by The Gathering Church (Site) (Attachment B – Site Map). The project is proposed to create 100 units with a mix of one, two, and three-bedroom units affordable to low and very low-income families, plus 125 subterranean parking spaces. Amenities would include a community room, fitness area, computer center, tot lot, courtyard, BBQ, and secure parking. The development would be highly competitive for state transit oriented grant funding as it is located within a half mile of the high speed transit of the Long Beach A Line (formerly known as Blue Line).

Staff recommends that the LBCIC enter into a six-month Exclusive Negotiating Agreement (ENA) with AMCAL Multi-Housing, Inc. to allow 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, to allow the developer to obtain entitlements and assemble financing.

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 LMIHAF and/or PLHA funds of up to \$5 million and an ENA with AMCAL Multi-Housing, Inc.

SUGGESTED ACTION:

Approve Recommendations.

OWO:PU:MS:KS

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Attachments:

Attachment A - Notice of Funding Availability

Attachment B - Site Map