



# **Award of up to \$5 Million and Authorization to Execute an Agreement to Negotiate Exclusively with Mercy Housing California for New Construction of Affordable Rental Housing Units**

**May 17, 2023**

# Notice of Funding Availability

## On December 21, 2022, the LBCIC Released a Notice of Funding Availability (NOFA) for up to \$5 Million for the Development of Affordable Rental Units

- Eligible activities under the NOFA include either new construction or acquisition/rehabilitation projects serving households earning at or below 80 percent of the Los Angeles County area median income (AMI).
- The financial assistance offered under the NOFA is in the form of residual receipts loans secured by a lien of the property.

# Source of Funding

## The Funding Available Under the NOFA is a Combination of the Low- and Moderate- Income Housing Asset Funds and Permanent Local Housing Allocation funds

- The Low- and Moderate- Income Housing Asset Fund was established by the Housing Successor to the Long Beach Redevelopment Agency in accordance with California Health and Safety Code Section 34176 (d) for construction or rehabilitation of apartment projects for low- and moderate- income households. The Housing Successor has delegated the responsibility of this fund to the LBCIC.
- The Permanent Local Housing Allocation program was created in 2017 by Senate Bill 2 to address the State's housing shortage by establishing a permanent source of funding for affordable housing stock in California serving households earning up to 80 percent of AMI.

# Proposals Received

## Two Proposals were Received by the March 21, 2023 Deadline

- Caritas, a nonprofit, public benefit company, submitted a proposal for the development of a 28-unit project at 439 West Anaheim Street affordable to families earning at or below 80 percent of AMI. The financial assistance requested in the proposal was incompatible with the financial assistance offered in the NOFA and therefore an award cannot be offered to Caritas at this time.
- Mercy Housing California (Mercy) submitted a proposal for the development of an 82-unit senior housing project at 300 Alamitos Avenue. The proposal met all NOFA requirements including evidence of significant experience and qualifications to develop the project. Therefore, staff is recommending the NOFA funds be awarded to Mercy.

# Project Location and Details

## New Construction of Affordable Senior Rental Housing at 300 Alamos Ave

### Building Summary

- 5-Story Modern Design Building
- All 82 Units are 1-Bedroom
- 5,600 Square Foot Recreation Area

### Household Income Threshold

- 41 Units at up to 80% AMI
- 20 Units at 30% AMI who have experienced homelessness
- 20 Units for veterans at 30% AMI who have experience homelessness
- 1 Unrestricted manager's unit



Site is currently a parking lot



# Project Details Continued



Rendering as viewed from Alamitos Ave facing North

## Amenities

- On-Site Services and Programming for Seniors
- Two Community Rooms and Lounges
- 32 Parking Spaces
- On-Site Laundry
- Bike Storage
- Bike Kitchen

# Other Funding Sources and Timeline

Source	Amount	Application Date
Multifamily Housing Program Funds	\$10,150,624	June 2023
Veterans Housing and Homelessness Prevention Program Funds	\$8,119,769	June 2023
Infill Infrastructure Grant	\$5,348,048	March 2024
4% Low-Income Housing Tax Credits	\$24,232,149	February 2024
Tax Exempt Bonds	\$31,158,692	February 2024
Project Based Vouchers (PBV) and Veterans Affairs Supportive Housing (VASH) Vouchers	20 PBV and 20 VASH	Awarded in February 2023
Commencement of Construction Anticipated November 2024		

## Recommended LBCIC Action

Approve the selection of Mercy Housing California for an award of up to \$5 Million in funds; and

Authorize the President or designee to enter into an Agreement to Negotiate Exclusively with Mercy Housing California for the development of new construction of affordable rental housing units.





Thank you

**Kjell Stava**  
**Real Estate Project Coordinator**