

October 22, 2024

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

Recommendation to adopt a Resolution authorizing the participation in California State Department of Housing and Community Development's Affordable Housing and Sustainable Communities program, and acceptance of a loan and grant in the amount of \$28,228,708, for the construction of an affordable housing project at 912-946 Linden Avenue; and,

Increase appropriations in the Housing Development Fund Group the Community Development Department by \$8,228,708, offset by grant revenue. (District 1)

DISCUSSION

On February 20, 2024, the City Council approved the submission of an application to the California State Department of Housing and Community Development (HCD) for up to \$50 million in loan and grant funds available through the Affordable Housing and Sustainable Communities (AHSC) Program for the construction of an affordable housing project at 912-946 Linden Avenue (Project) (Attachment A). The AHSC application for funds was submitted in partnership with AMCAL Multi-Housing, Inc. (AMCAL), which recently acquired the property for the development of the Project. On August 23, 2024, the City of Long Beach (City) and AMCAL (Awardees) were notified that the application was successful and received a conditional award commitment from HCD of \$28,228,708 in loan and grant funds. Disbursement of these funds requires the Awardees to adopt and provide an authorization Resolution to HCD.

The Resolution must constitute a legally binding authorization to participate in the AHSC Program. The City has adopted similar Resolutions on two prior AHSC awards and is familiar with and experienced in partnering on these projects and related public infrastructure improvements. Adoption of an authorizing Resolution will satisfy the condition of the award and HCD will begin drafting the documents necessary to disburse the funds for the construction of the Project.

The Project includes 99 affordable family units serving extremely low- to low-income households, plus one manager's unit. In addition to 100 one-, two-, and three- bedroom units, the Project will include a courtyard, a tot lot, community room, a fitness area, computer center, and BBQ area.

Construction of the Project cannot begin until AMCAL has secured all remaining Federal and State funding necessary, and participation in the AHSC Program will greatly increase the strength of AMCAL's remaining funding applications. Once constructed, the Project will provide

much-needed affordable housing while complementing the adjacent residential and commercial uses. Residents will also benefit from the Site's adjacency to the Metro A Line and bus lines that operate along Long Beach Boulevard.

This matter was reviewed by Deputy City Attorney Adam Jacobs on September 16, 2024, and by Budget Management Officer Nader Kaamouch on September 26, 2024.

TIMING CONSIDERATIONS

The conditional award notification requires that the City deliver the adopted Resolution no later than October 28, 2024. City Council action is requested on October 22, 2024, to meet the HCD deadline.

FISCAL IMPACT

Loan funds of \$20,000,000 will be awarded to and disbursed directly to AMCAL, and the City shall have no responsibility for repayment of the loan. Grant funds of \$8,228,708 will be disbursed for infrastructure and transportation improvements. To facilitate disbursement of the grant funds, an appropriation increase is requested in the amount of \$8,228,708 in the Housing Development Fund Group in the Community Development Department, offset by grant revenue. AMCAL has agreed to provide the City with an Indemnification Agreement that will cause AMCAL to be solely responsible for the repayment of disbursed grant funds in the event the Project is not completed. No match or in-kind service mandate is required. This recommendation has no staffing impacts beyond the normal budgeted scope of duties and is consistent with City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


Christopher Koontz
Community Development Director

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENTS – RESOLUTION
A – FEBRUARY 20, 2024, STAFF REPORT