

September 10, 2024

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

Recommendation to adopt a Resolution authorizing an application to the California State Department of Housing and Community Development Local Housing Trust Fund Program for \$2,500,000; and,

Authorize the City Manager, or designee, to execute all documents and agreements necessary to apply for and utilize these funds for eligible projects. (Citywide)

DISCUSSION

On October 17, 2023, the City Council approved amendments to the City of Long Beach's (City) Housing Trust Fund to comply with the regulations of the California Department of Housing and Community Development's (HCD) Local Housing Trust Fund (LHTF) Program and ensure readiness to apply for the LHTF Program when Notices of Funding Availability are released by HCD.

HCD's LHTF Program provides matching grant funds to local and regional housing trust funds dedicated to the creation, rehabilitation, or preservation of affordable housing, transitional housing, and emergency shelters. LHTF Program funds shall be used to make construction loans and/or permanent financing loans to pay for predevelopment costs, acquisition costs, and other costs associated with the development or rehabilitation of affordable rental housing projects, emergency shelters, permanent supportive housing, transitional housing, and affordable homebuyer/homeowner projects, including assistance to income-eligible households to purchase for-sale units. Funds may also be used for the construction, conversion, repair, reconstruction, or rehabilitation of Accessory Dwelling Units (ADUs) or Junior ADUs.

HCD has released the Notice of Funding Availability and requires a Resolution for the application to be considered eligible.

This matter was reviewed by Deputy City Attorney Adam Jacobs and Revenue Management Officer Geraldine Alejo on August 29, 2024.

TIMING CONSIDERATIONS

City Council action is requested on September 10, 2024, so that the City can submit an application for the LHTF Program funds by the due date of September 17, 2024.

FISCAL IMPACT

If the Resolution is approved and the City's application for the LHTF Program is successful, \$2,500,000 in grant funds will be awarded to the City's Housing Trust Fund. The grant has a dollar-for-dollar match requirement. The City will meet the match requirement through LHTF program expenditures funded by the City's Housing Trust Fund in the Housing Development Fund Group in the Community Development Department. Further, the grant requires a City commitment that a minimum of \$100,000 per year in ongoing revenue be deposited to the Housing Trust Fund for the initial three years of the grant term. This requirement will be met with program revenue generated from housing fund loan repayments in the Housing Development Fund Group. No appropriation is requested at this time. Upon grant award, staff will return to the City Council with a request for appropriation for the grant and, if needed, the match requirement. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



Christopher Koontz
Community Development

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENT