



CITY OF SIGNAL HILL

NOTICE OF FUNDING AVAILABILITY FOR THE ORANGE BLUFF AND WALNUT BLUFF WORKFORCE HOUSING DEVELOPMENTS

Released: April 26, 2023

Deadline: June 15, 2023, at 4:00 p.m.

Sources of Financial Assistance:

Housing Authority's Low- and Moderate- Income Housing Asset Fund
Affordable Housing Development In-Lieu Fees
Permanent Local Housing Allocation

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SECTION 1 – ABOUT SIGNAL HILL

The City of Signal Hill (“City”) is a 2.2 square-mile Charter City, located in Los Angeles County. The City is situated over a large producing oil field, the Long Beach Field, which was first discovered in 1921. Signal Hill was incorporated as a charter law city on April 14, 1924. It is the only city in America surrounded by another city – Long Beach. Signal Hill was a growing residential area prior to the 1921 oil discovery and transitioned into a major oil field with so many derricks that it came to be known as Porcupine Hill.

Signal Hill is located four miles west of the 605 Freeway, three miles east of the 710 Freeway and the 405 Freeway runs through the northern portion of the City. Although still a producing oil field, the City is transitioning into a diverse, modern community and has active oil wells co-existing adjacent to modern commercial and residential development. Signal Hill is a growing community with an inventory of vacant land available for development. The City’s population increased from 11,016 in 2010 to 11,848 according to the 2020 U.S. Census data. The most current State Department of Finance Housing data shows an increase in available housing from 4,389 to 4,632 between 2010 and 2021.

The City is known for its high-quality management and its sound fiscal practices. Signal Hill residents benefit from well-maintained streets and medians. Residents also benefit from beautiful parks and views of the ocean. The City has an excellent Police Department with quick response times. There are two elementary schools located in the City which are part of the Long Beach Unified School District. The City has three existing workforce housing developments, the most recent of which is called Zinnia Apartments, completed in 2019. The City is also home to quality commercial and industrial businesses and shopping centers. Signal Hill is home to multiple auto dealerships and national shopping center tenants include Best Buy, Home Depot, Costco, Target, PetSmart, Petco, and Ross.

SECTION 2 – DEVELOPMENT OPPORTUNITY

The City of Signal Hill (“City”) and the Signal Hill Housing Authority (“Authority”), collectively referred to as the “Public Agencies,” are pleased to announce the availability of funding to develop two affordable housing projects within the community. This Notice of Funding Availability (“NOFA”) is being released and circulated to solicit proposals from qualified nonprofit and/or for-profit developers who desire to partner with the Public Agencies to carry out local affordable housing, community development, and land use goals. Subject to formal approval by the Public Agencies, up to \$10 million may be available from multiple sources for the development of two projects that meet the City’s local workforce housing goals and the selection criteria outlined in this NOFA. The Public Agencies have provided a description of the funding sources in Section 7 of this NOFA.

The City is seeking to partner with a qualified affordable housing developer with the capacity to build affordable housing projects of quality and sustainable design on both selected sites identified in the [City’s Certified Housing Element](#). Signal Hill Petroleum owns both properties; the selected developer will be required to negotiate site control of both sites. The selected developer will be required to provide the City with executed

documents demonstrating its successful negotiation through a purchase and sale agreement, ground lease, or joint venture partnership with Signal Hill Petroleum.

In response to this NOFA, developers must submit a written proposal outlining their experience, comparative projects, funding strategies, property management approach, and timeline specifically addressing the two workforce housing sites. The City will also require the affordable housing developer to provide onsite services to promote financial literacy, career development, childcare, and other services to address the needs of residents. The City's goal is to promote an eventual transition to market-rate housing opportunities and create affordable housing opportunities for new residents. The City will also require that a portion of the units be non-smoking. The selected developer will be required to demonstrate in its proposal a consistent track-record of providing these services along with quality onsite property management.

SECTION 3 – SELECTION CRITERIA

Through this NOFA, the Public Agencies are seeking to engage prospective community partners and assess their development qualifications based on selection criteria, including, but not limited to:

- Expertise and experience of the development entity and team in designing and constructing high quality affordable housing projects.
- Demonstrated record of negotiating complex real estate transactions with private parties as a direct sale, ground lease, or joint-venture partnership.
- Demonstrated record of working on development sites that include the need for environmental remediation; specifically related to sites previously used for the extraction of petroleum that include active and abandoned oil wells.
- Financial and organizational capacity to successfully secure financing and leverage multiple funding sources to build high quality residential projects.
- Capacity to design market-feasible affordable housing projects that implement the City's vision for the community and promote the community character of Signal Hill.
- Develop projects that are economically viable and feasible over the long-term, including the ability to maintain residential projects at a high level.
- Experience and ability to creatively negotiate an affordable housing agreement, or other appropriate development agreement, that provides the greatest return on investment to the City.

The Public Agencies encourage all applicants under this NOFA to identify potential capital funding opportunities under the County of Los Angeles, State of California, Federal programs, private equity, or other eligible sources. The proposal shall discuss the

developer's recommended approach to the development of **both residential projects** starting from the initial negotiation process to financing and construction.

SECTION 4 – QUALIFICATIONS AND EXPERIENCE

Qualified developers must have expertise in successfully financing and developing affordable housing on sites in need of remediation due to oil field operations. In addition to the general criteria listed in the introduction of this NOFA, the most qualified developer teams must have:

- Demonstrated development experience specific to affordable housing of similar size and inclusive of services. Inclusion of a non-smoking element is desirable.
- Demonstrated property acquisition with private property owner.
- Demonstrated oil field remediation resulting in a “shovel ready” site.
- Design and architecture expertise for a project of similar size and scope.
- Experience with development on active and inactive oil field properties.
- Demonstrated financial capacity for completing similar projects (developers shall include a conceptual proforma evaluating the development feasibility of both sites).
- An experienced financial team capable of delivering financing to the project under the current economic climate.

SECTION 5 – SITE DESCRIPTION

Working with Signal Hill Petroleum, the City identified two affordable housing sites in its Certified Housing Element, the Orange Bluff and the Walnut Bluff sites. Both properties are owned by a local property owner and oil operator, Signal Hill Petroleum. Both sites have active, idle, and abandoned oil and gas wells, but are otherwise undeveloped. The selected developer must prepare, as part of its proposal, a detailed plan regarding the proposed development of both sites. The proposal must also identify the full spectrum of potential funding sources and identify a timeframe for the development of both properties. The section below provides more specific information regarding each site.

5.1 SITE CONDITIONS, SURROUNDINGS, AND CONCEPTUAL SITE PLANS

Site 1: “Orange Bluff” is an 8.6-acre property located on the south side of East 28th Street between Orange Avenue and Gundry Avenue. The site is entitled to accommodate up to 290 workforce units in a village cluster setting of six 3- to 5-story structures around a common open space with internal private drives for circulation. The property has two access points onto public streets, at East 28th Street and at Gundry Avenue. The elevation of the site creates the opportunity to provide residents with views.

The site contains one active, eight idle, and nine abandoned oil and gas wells. Based on the conceptual site plan on the following page, the active well will remain in the interior landscape area in the northeast portion of the site, shown as red diamonds. The eight idle wells will be abandoned to accommodate the proposed development. The adopted Specific Plan for development allows existing wells to remain pursuant to the City's Oil and Gas code, but no new wells are permitted. The conceptual site plan offers a

suggestion regarding a potential site layout that considers the abandoned and existing wells; the developer may wish to propose an alternative layout if desired. However, to avoid additional discretionary actions, the built project must substantially conform to the conceptual site plan.

ORANGE BLUFF CONCEPTUAL SITE PLAN



Site 2: “Walnut Bluff” is a 2-acre property located at the northwest corner of East Willow Street and Walnut Avenue. The site is entitled to accommodate up to 90 workforce units in three 3- to 4-story structures clustered around an internal parking area and open space. The site contains two active, two idle, and three abandoned oil and gas wells. Based upon the below conceptual site plan, the two active wells (shown as green dots) would remain. The two idle wells (shown as yellow dots with red circles) would be abandoned to accommodate the project.

Similar to the Specific Plan for Orange Bluff, existing wells are allowed to remain pursuant to the City’s Oil and Gas code, but no new wells are permitted. The conceptual site plan offers a suggestion regarding a potential site layout that considers the abandoned and existing wells; the developer may wish to propose an alternative layout if desired. However, to avoid additional discretionary actions, the built project must substantially conform to the conceptual site plan.

WALNUT BLUFF CONCEPTUAL SITE PLAN



Both sites are adjacent to light industrial uses and are in close proximity to residential uses, transit corridors, shopping and medical services, and schools. Currently, there is a

career college and Signal Hill Elementary School within approximately one-half mile of the sites. Both sites are approximately one-half mile from the 405 North and South Freeway ramps. In addition, the Civic Center, Signal Hill Library, Signal Hill Park, and Signal Hill Community/Youth Center are located between one-half and three-quarters of a mile from the sites.

Section 6- Development Standards

The table below is an excerpt from the City's Certified Housing Element and provides information regarding the development standards for the Orange Bluff and Walnut Bluff sites. The table also includes, for comparative purposes, the Zinnia Apartments affordable housing site as well as the two market-rate sites entitled as part of the City's Housing Element update.

2021-2029 Housing Element

Table C-5: Expected Development Standards for Sites

Standard:	SP 6 Zinnia Apartments, META Housing Corp. 2018 (Affordable development example)	Expected Development Standards			
		SP 7 (Walnut Bluff)*	SP 7 (Orange Bluff)*	Town Center NW	Heritage Square
Site size	1.6 acres	2.0 acres	8.6 acres	8.4 acres	7.8 acres
Uses permitted	Multifamily residential	Multifamily residential	Multifamily residential	Mixed Use	Mixed Use
Number of Housing Units	72 units	Minimum: 90 units	Minimum 290 units	Maximum: 267 units	Maximum: 60 units
Affordability	Low-Income	Moderate-Income	Low- and Moderate-income	Above moderate income	Above moderate income
Density	45 du/ac	35 to 45 units per acre	35 to 45 units per acre	20 to 35 units per acre	<10 units per acre.
Housing Unit Sizes	1-, 2- and 3-bedroom units	1-, 2-, and 3-bedroom units	1-, 2-, and 3-bedroom units	1- and 2-bedroom units	2-, 3-, and 4-bedroom units
Height Limits	48 feet	4 stories or 48 feet	3 and 4 stories or 48 feet	5 stories or 60 feet	3 stories or 38 feet 6 inches
Parking	82 spaces: • 0.5 for 1 bedroom 1 for 2 bedrooms 2 for 3 bedrooms 0.5 for 1 bedroom 1 for 2 bedrooms 2 for 3 bedrooms	Total 97 spaces: • 0.5 spaces per 1-bedroom units • 1 space per 2-bedroom units • 2 spaces per 3-bedroom units • Covered parking is not required.	Total 308 spaces: • 0.5 spaces per 1-bedroom units • 1 space per 2-bedroom units • 2 spaces per 3-bedroom units • Covered parking is not required.	Total 600 spaces: • 1.4 garage spaces per 1-bedroom units • 1.6 garage spaces per 2-bedroom units • 2 garage spaces per 3+ bedroom units • 1 guest space per 4 units (can be surface parking)	Total 149 spaces: 2 garage spaces per 1- to 3-bedroom units 3 garage spaces per 4- and 5-bedroom unit Townhome units: 1 guest space per 4 units (can be surface parking)

Source: City of Signal Hill, 2022

6.1 Site Zoning

On July 12, 2022, in preparation for certification of the 6th Cycle Housing Element Update, the City Council approved a General Plan Amendment and Zoning Ordinance Amendments for four housing sites identified to meet the Regional Housing Needs Assessment allocation. The designated zoning for the two workforce housing sites is a Special Purpose Housing Specific Plan designation (SP-7, Areas 7 and 8) that allows

very high density residential (45 dwelling units per acre). The conceptual plans presented above were included in the SP-7 development standards.

As noted, to avoid additional discretionary actions, the built project must substantially conform to the conceptual site plans illustrated. The maximum height of the buildings for Orange Bluff (SP-7 Area 8) shall not exceed five stories. The maximum height of the buildings for Walnut Bluff (SP-7 Area 7) shall not exceed four stories. As noted above, the parking standard is as follows:

- Studio: 0.5 space/unit
- 1 BR: 0.5 space/unit
- 2 BR: 1 space/unit
- 3 BR: 2 spaces/unit

6.2 Architectural Design

The architectural design must be of high quality. The project should be aesthetically pleasing as well as environmentally and economically sustainable. The expected building design should be consistent with a contemporary architectural theme and should include variation of design elements such as, the use of offsets and recesses, staggered roof-lines, balconies and windows placed for the most efficient use of light and shade and in scale with the wall mass, as well as varied building materials. The layout of the property should be consistent with the Specific Plan requirements and the presented conceptual site plans.

6.3 Environmental Analysis

An Environmental Impact Report (EIR) was adopted for the housing sites. The EIR included analysis of multiple technical studies including but not limited to:

- Phase I and Phase II Environmental Site Assessments.
- Human Health Risk Assessments, reviewed by the State Office of Environmental Health Hazard Assessments.
- Geotechnical studies.
- Traffic analysis.
- Air quality analysis.
- Noise analysis.

The EIR concluded that there were no significant environmental impacts, and the sites were suitable for residential uses with the application of the required mitigation measures. The EIR may be reviewed on the [City website](#).

Section 7 - Funding Sources

As noted above, the Public Agencies have set aside funding specifically to reduce the expected funding gap for affordable projects. The Public Agencies have the following resources available which would be committed as part of an Exclusive Negotiation Agreement (ENA):

- **Low- and Moderate-Income Housing Asset Fund:** The Low- and Moderate-Income Housing Asset Fund (“Housing Asset Fund”) houses all former redevelopment agency housing assets and is subject to expenditure requirements detailed in Health and Safety Code (“HSC”) Section 34176.1. Housing Asset Funds may be used for a variety of project development costs but may not be used for maintenance or operation activities. No more than 20% of the available funds may be spent on households earning 60% to 80% (Low Income) of the Area Median Income (“AMI”) and at least 30% of the funds must be spent on rental households earning 30% (Extremely Low) or less of the AMI.

All affordable housing units developed with this funding source must be income restricted for at least 15 years for mutual self-help units, 45 years for home ownership units, and 55 years for rental units. The Authority has \$6.4 million available cash as of July 1, 2023. In addition, there is an outstanding loan balance of \$2.8 million due to be paid to the Authority through 2028.

- **Developer In-Lieu Fees:** The City has collected affordable housing in-lieu fees for previously constructed market-rate projects. These funds are specifically set aside for future affordable housing developers to utilize. The City currently has \$745,419 in housing impact proceeds that are being made available as part of this NOFA.
- **Permanent Local Housing Allocation (PLHA):** The City is entitled to receive \$167,262 in PLHA funding, which can be used toward site remediation or construction of the projects as needed.

Income Limits for Los Angeles County

Number of Persons in Household:		1	2	3	4	5	6	7	8
Los Angeles County Area Median Income: \$91,100	Acutely Low	9550	10900	12300	13650	14750	15850	16950	18000
	Extremely Low	25050	28600	32200	35750	38650	41500	44350	47200
	Very Low Income	41700	47650	53600	59550	64350	69100	73850	78650
	Low Income	66750	76250	85800	95300	102950	110550	118200	125800
	Median Income	63750	72900	82000	91100	98400	105700	112950	120250
	Moderate Income	76500	87450	98350	109300	118050	126800	135550	144300

Los Angeles County income limits for 2022

California Department of Housing and Community Development

SECTION 8 – PROCEDURES FOR INTERESTED PARTIES

8.1 PREPARE AND SUBMIT NOFA RESPONSE PACKAGE

- **NOFA Responses due by June 15, 2023 at 4:00 PM.**
- **Submit 3 hard copies to the address below.**
- **Submit one electronic copy to contact email below.**
- **Include sample project vision graphics.**

8.2 EVALUATION

Submittals will be reviewed and evaluated by City staff based on the selection criteria described in this NOFA. During the evaluation process, City staff may contact interested parties to request additional information or documents pertinent to the selection criteria and submittal requirements. This Notice of Funding Availability does not obligate the City or the Authority to award funding or proceed with development of housing projects. Interested Parties will agree to hold the City and Authority harmless from, and defend and indemnify the City and Authority for, any claims or liability arising from this NOFA process.

8.3 CONTACT INFORMATION

For all questions and inquiries related to this request for qualified developers, please contact:

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