

**MEMORANDUM**

**CLOSED SESSION**



The  
**Long Beach  
Housing  
Development  
Company**

**Date:** August 20, 2008

**To:** Board of Directors  
The Long Beach Housing Development Company

**From:** Ellie Tolentino, Vice-President

**Prepared by:** Megan Sorensen, Development Project Manager

**Subject:** Acquisition of Properties Located at 1746 through  
1770 Magnolia Avenue and 460 W. Pacific Coast  
Highway – Washington HAP (District 1)

**RECOMMENDATIONS:**

- 1) Approve the acquisition of five properties located at 1746 through 1770 Magnolia Avenue and 460 W. Pacific Coast Highway and authorize a budget of \$2,857,500 for these acquisitions;
- 2) Authorize the President to enter into a Memorandum of Agreement with the Redevelopment Agency for acquisition of these properties, if necessary; and
- 3) Authorize the President or designee to execute any and all documents necessary to complete the acquisition these properties.

**BACKGROUND**

On June 1, 2004, the City Council adopted a five-year Housing Action Plan (HAP) for Fiscal Years 2005-2009 to serve as the framework for developing affordable housing in the City of Long Beach. The HAP allocated a total of at least \$69 million over a five year-period for affordable housing programs. Sixty-five percent (65%) of these funds were earmarked to be spent in three focus areas - Washington School, Central, and North King School.

Following the adoption of the HAP, a detailed needs assessment of the selected neighborhoods was undertaken in order to determine strategies that would address the specific needs of each neighborhood. The assessment involved field surveys of property and neighborhood conditions, a review of existing City plans affecting these neighborhoods, and meetings with other City department management staff, as well as the Long Beach Unified School District, to make sure that proposed strategies are congruent with other existing plans and programs. Based on this

**MAKING  
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AGENDA ITEM NO. 6I

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assessment, preliminary strategies for each neighborhood have been developed. One of the recommended strategies is to acquire parcels that are currently vacant or have substandard improvements, and in some instances, some properties adjacent to these parcels. One of the goals of this strategy in the Washington School Focus Area is to rehabilitate and/or reconstruct single-family homes that can be sold to lower income first time homebuyers, thereby increasing owner occupancy, reducing density and improving the neighborhood.

Properties on Magnolia Avenue between 15<sup>th</sup> Street and W. Pacific Coast Highway were targeted for acquisition because of blighted conditions, overcrowding, nuisance activities and the unusual orientation of the residences, most of which front a commercial corridor with their rears facing a residential street. To date, six of these properties have been acquired by the LBHDC. RBF Consulting was hired to determine the cost effectiveness of rehabilitating these properties. The recommended action was to demolish and build updated affordable residences in line with the goals of the HAP. Because demolition and new construction is deemed necessary, staff recommends additional LBHDC investment in acquisition and development of a larger project to truly transform the area and increase the marketability of owner occupied residences. Conversations with Studio One Eleven, an urban design firm, further validate these recommendations and a redevelopment plan for the area is in progress. Though ideally the southern block between 15<sup>th</sup> Street and W. Pacific Coast Highway could be fully acquired and a phase two project developed, it is a very costly endeavor. Hence, staff recommends focusing current resources on completing acquisition of the northern block between 17<sup>th</sup> Street and W. Pacific Coast Highway. Specifically, these properties are:

**1746-1748 Magnolia Avenue** – Located in the middle of the block between 17<sup>th</sup> Street and Pacific Coast Highway, adjacent to LBHDC owned properties. The parcel is 3,620 sq. ft. and contains a 1,036 sq. ft. duplex. Each unit contains one bedroom and one bathroom. The structure was built in 1918. The property is zoned R-4-N, which allows for the development of one residential unit per 1,500 sq. ft. Estimated value is \$370,000.

**1752 Magnolia Avenue** – This parcel is 3,650 sq. ft. and contains a single-family residence built in 1948. The property is zoned R-4-N. Estimated value is \$375,000.

**1760-1762 Magnolia Avenue** – This parcel is 4,095 sq. ft. and contains two residences comprising a total of three bedrooms and three bathrooms. The structures were built in 1914 and 1923. The property is zoned R-4-N. Estimated value is \$415,000.

**1770 Magnolia Avenue** – This parcel is 3,145 sq. ft. and contains a 3-unit dwelling containing a total of two bedrooms and four bathrooms. The structure was in 1935. This property was recently sold in a foreclosure sale for \$294,500. This property is also zoned R-4-N. Estimated value is \$400,000.

**460 W. Pacific Coast Highway** – This parcel is 6,787 sq. ft. and contains a 1,064 sq. ft. commercial building currently used as a check cashing business. The structure was built in 1966. This property is currently zoned for Regional Highway Commercial (CHW) uses.

Acquisition, relocation, and demolition costs are estimated to be \$2,857,500. A chart providing a breakdown of those costs is attached.

Staff will return to the Board at a later date with a reuse/development plan for the site.

ET:PU:MS

Attachments: Map indicating subject properties

~~Photographs of subject properties~~

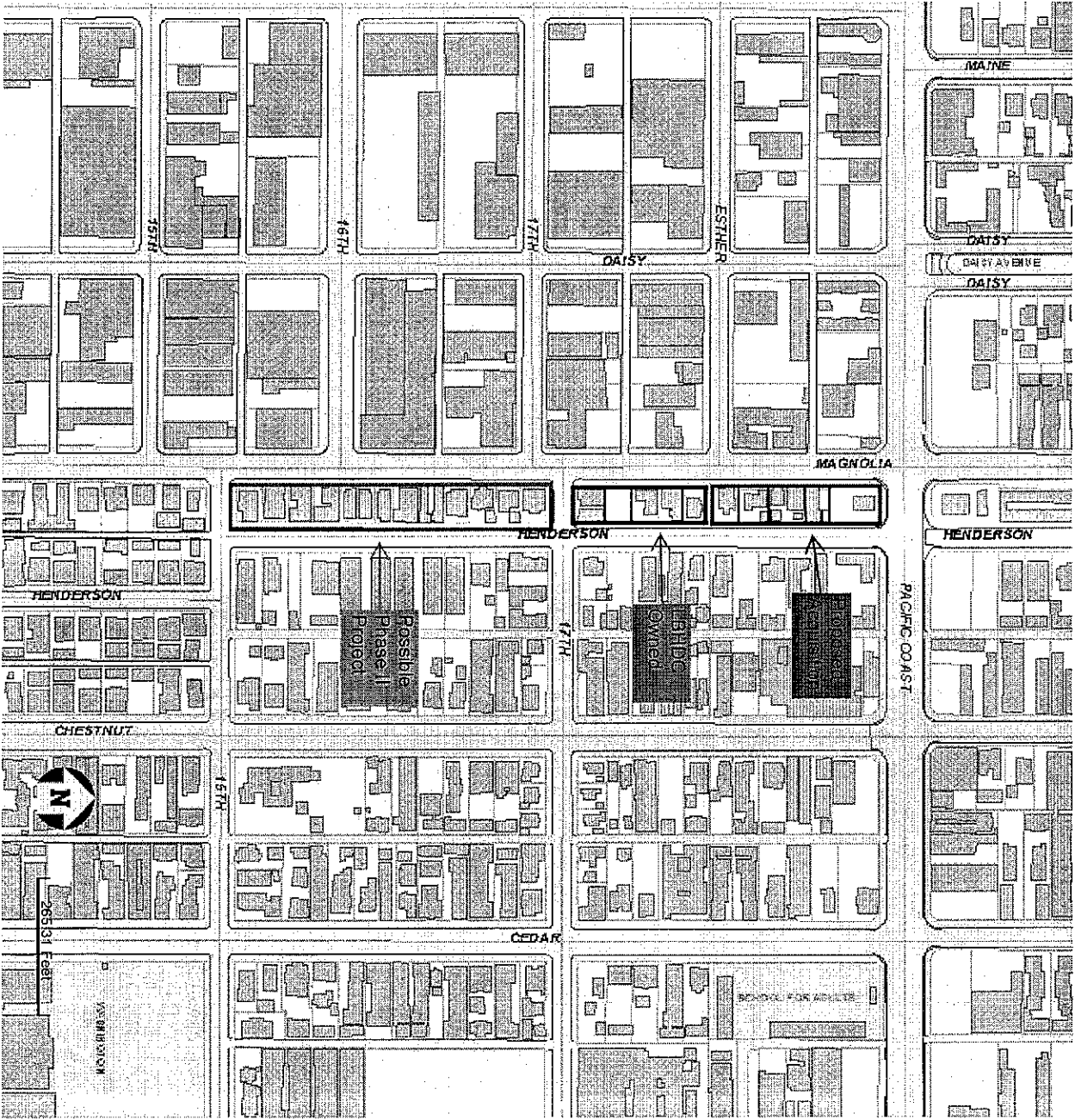
Chart of estimated site assembly costs

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City of  
**Long Beach**  
CA

# Magnolia Properties



## Disclaimer

DISCLAIMER OF DATA ACCURACY: The services provided on this web site are intended for informational purposes only and the GIS data used is compiled from various sources and is subject to constant change. While reasonable effort has been made to ensure the accuracy of the data, the information provided herein may be inaccurate or out of date.

## Site Assembly Estimate

APN/ Address	Present Use	BD/ BA	Lot Size (Square Footage)	Improvement (Square Footage)	Moving	Acquisition	Contingency (20%)	Relocation	Demolition	Goodwill	Title/Escrow Fees	Total
7269-037-010 460 W Pacific Coast Hwy	Comm.	N/A	6,787	1,064	Included in Relocation Estimate	\$525,000.00	\$105,000.00	\$60,000.00	\$15,000.00	\$35,000.00	\$4,000.00	\$744,000.00
7269-037-011 1770 Magnolia Avenue	MFR	2/4	3,145	1,559	\$1,425	\$400,000.00	\$80,000.00	\$65,000.00	\$14,500.00	\$0.00	\$4,250.00	\$563,750.00
7269-037-012 1760 Magnolia Avenue	MFR	3/3	4,095	1,562	\$1,650	\$415,000.00	\$83,000.00	\$50,000.00	\$14,500.00	\$0.00	\$4,250.00	\$566,750.00
7269-037-013 1752 Magnolia Avenue	SFR	2/1	3,650	857	\$1,425	\$375,000.00	\$75,000.00	\$22,500.00	\$11,500.00	\$0.00	\$3,750.00	\$487,750.00
7269-037-014 1746 Magnolia Avenue	MFR	2/2	3,620	1,036	\$1,425	\$370,000.00	\$74,000.00	\$35,000.00	\$12,000.00	\$0.00	\$4,250.00	\$495,250.00

**TOTAL**  
**\$2,857,500.00**