



Building A Better Long Beach

January 20, 2011

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Approve and authorize the Executive Director to execute a Promissory Note and related documents with The Long Beach Housing Development Company for the acquisition of several properties currently owned by The Long Beach Housing Development Company. (Central – Districts 1, 6)

DISCUSSION

Following the City Council's adoption of the Housing Action Plan (HAP) for Fiscal Years 2005 through 2009 in June 2004, and pursuant to the HAP Implementation Plan, The Long Beach Housing Development Company (LBHDC) started acquiring vacant and/or substandard properties in the HAP focus areas, including the following:

Washington School HAP Focus Area:

- 1348 Pacific Avenue; 124 W. 14th Street; 116 W. 14th Street; 1339 Pine Avenue
- 469 W. 17th Street; 1718-1770 Magnolia Avenue

Central HAP Focus Area:

- 1900 Long Beach Boulevard
- 1836-1850 Locust Avenue

Attached as Exhibit A is an individual property description and map of the subject properties.

The HAP properties were purchased to provide affordable housing and at the same time revitalize the surrounding neighborhoods. However, due to the economic downturn and the crisis in the financial market in the last few years, it has become quite challenging to initiate the development of these sites. Funding for affordable housing, be it rental or ownership, has been very difficult to secure. Because of this, developers request the LBHDC to fund a major portion of the development cost. To date, these requests have been unjustifiable, and the properties have remained vacant and undeveloped.

REDEVELOPMENT AGENCY BOARD MEMBERS

January 20, 2011

Page 2 of 2

Given the current economic conditions, it is unknown whether these properties could be developed by the LBHDC for their intended use. However, transferring the properties to the Redevelopment Agency (Agency) would allow for the potential redevelopment of these parcels for non-housing related uses, if appropriate.

At the January 19, 2011, LBHDC Board meeting, Housing staff will recommend that the Board sell its properties listed above to the Agency. The Agency, in turn, would execute a Promissory Note payable to the LBHDC in an amount representing the current appraised value of the properties. The Promissory Note would obligate the Agency to commit future tax increment proceeds for the repayment of the Promissory Note. The Promissory Note would also be subordinate to any future or existing bonded indebtedness of the Agency.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ROBERT ZUR SCHMIEDE, AICP
ASSISTANT EXECUTIVE DIRECTOR



AMY J. BODEK, AICP
EXECUTIVE DIRECTOR

AJB:ET

Attachment: Exhibit A – Property Description and Map

LBHDC Owned-Properties

1348 Pacific Avenue; 124 W. 14th Street; 116 w. 14th Street; 1339 Pine Avenue

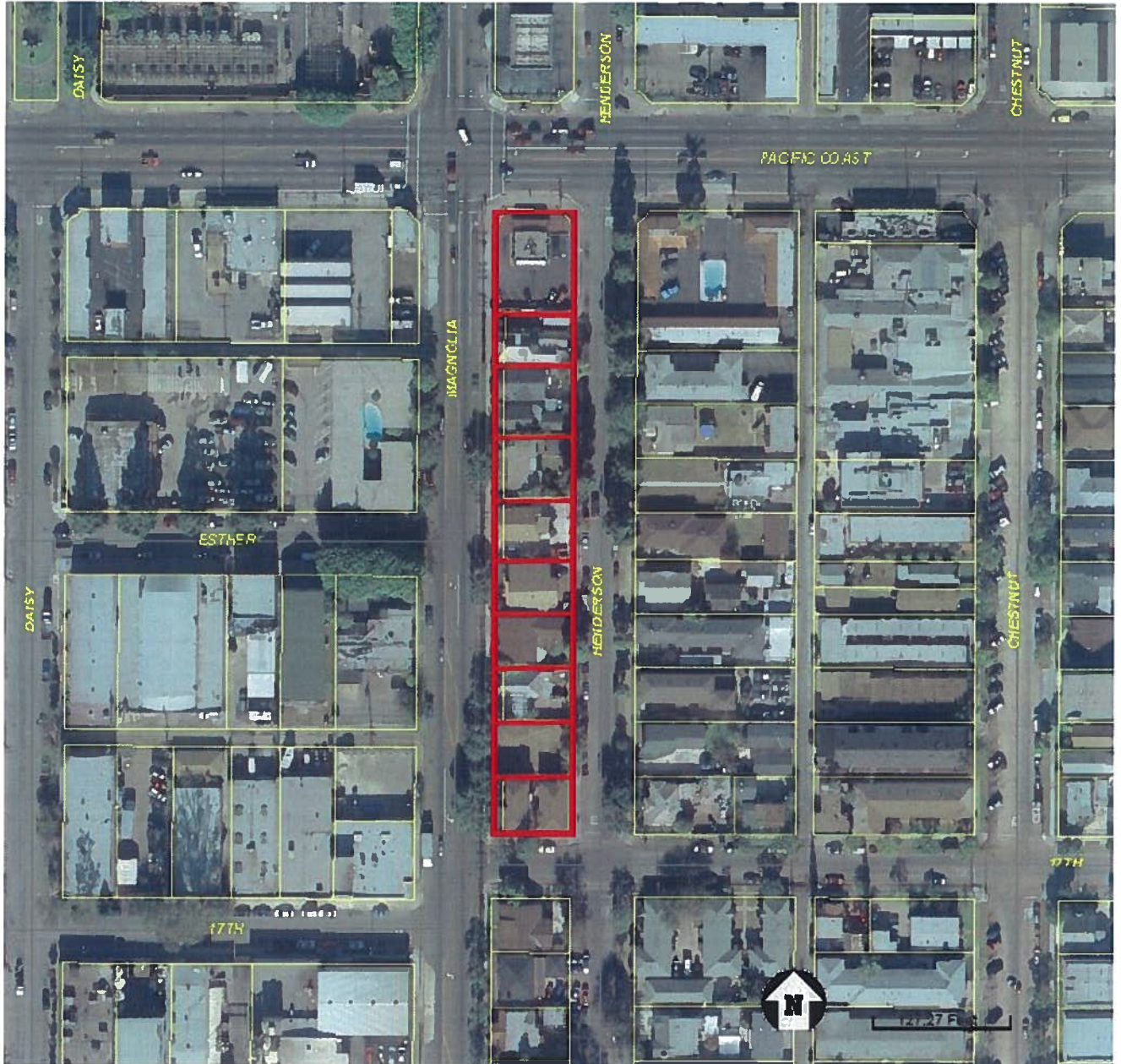
- 16,600 sq. ft; zoned R-4-R



LBHDC Owned-Properties (Continued)

469 W. 17TH St.; 1718-1770 Magnolia Ave.

- 35,784 sq. ft.; zoned R-4-N and CHW (460 W. PCH)



LBHDC Owned-Properties (Continued)

1900 Long Beach Blvd.

- 40,500 sq. ft.; zoned PD-29



LBHDC Owned-Properties (Continued)

1836-1850 Locust Ave.

- 26,977 sq. ft.; zoned PD-29

