

October 11, 2022

R-21

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary to enter into an Exclusive Negotiation Agreement (ENA) with Century Affordable Development Inc., of Long Beach, CA, to commence negotiations in connection with the disposition and development of City-owned Exempt Surplus property at 6845 Atlantic Avenue (Subject Property). (District 9)

DISCUSSION

The City of Long Beach is currently fee owner of property located at 6845 Atlantic Avenue (Subject Property) (Attachment). The Subject Property consists of approximately 97,282 square feet and is improved with a former liquor storefront, a warehouse, and the Atlantic Bridge Community, which is operated through the City of Long Beach's (City) Health and Human Services Department to house people experiencing homelessness (ABC Shelter). The City was approached by the adjacent property owner, Century Affordable Development Inc., of Long Beach, CA (Developer), who has proposed combining the Subject Property with their adjacent property for the development of a large affordable housing/homeless services campus, including the continued operation of the ABC Shelter. As the proposal furthers the development of affordable housing units, City staff recommends that the City enter into an Exclusive Negotiation period with the Developer to determine whether the proposal can be made viable, which will include public visioning meetings in which both the Developer and City will participate in. Should the City and Developer negotiate the terms and conditions of an agreement, a separate action will be placed on a future City Council agenda for consideration.

To allow the City and Developer to move forward with the determination of the proposal's viability, the following are proposed terms and conditions of the ENA:

- **Developer:** Century Affordable Development Inc., a nonprofit public benefit California corporation.
- **Exclusive Negotiating Period:** The Exclusive Negotiating Period shall be for 180 days from the date of the complete execution of the document. During this period, both parties shall work diligently to participate in public visioning meetings and

negotiate the terms and conditions of an agreement for the development of the property.

- Extensions to Negotiating Period: The Negotiation Period may be extended for two consecutive periods of 90 days each at the sole discretion of the City Manager.
- Obligations of the Developer: The Developer shall be responsible for participating in public visioning meetings related to the development of the Subject Property; development of a financing plan evidencing feasibility; preparation of any studies, surveys, plans, specifications, and reports, at the Developer's expense, to complete its due diligence for the Subject Property; and ensure that the Subject Property is repaired, restored and returned to its original condition from any such due diligence investigations.
- Obligations of the City: The City shall be responsible for participating in public visioning meetings related to the development of the Subject Property and cooperate fully with the Developer's due diligence activities including providing access to the Subject Property.

In preparation for anticipated negotiations with the Developer, the City has complied with the prerequisite steps required by the State's Surplus Land Act (SLA), including the City's governing body declaring the Subject Property as Exempt Surplus on August 2, 2022. Subsequently, the State's Department of Housing and Community Development reviewed the City's Resolution of Declaration of Exempt Surplus and concurred with the findings allowing the City to move forward with entering into negotiations with the Developer.

This matter was reviewed by Principal Deputy City Attorney Richard F. Anthony on September 22, 2022 and by Budget Operations and Development Officer Rhutu Amin Gharib on September 12, 2022.

TIMING CONSIDERATIONS

City Council consideration of this transaction is requested on October 4, 2022, to ensure the timely execution of the ENA.

FISCAL IMPACT

There is no known fiscal impact associated with this recommendation at this time. 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.

SUGGESTED ACTION

Approve recommendation.

Respectfully submitted,



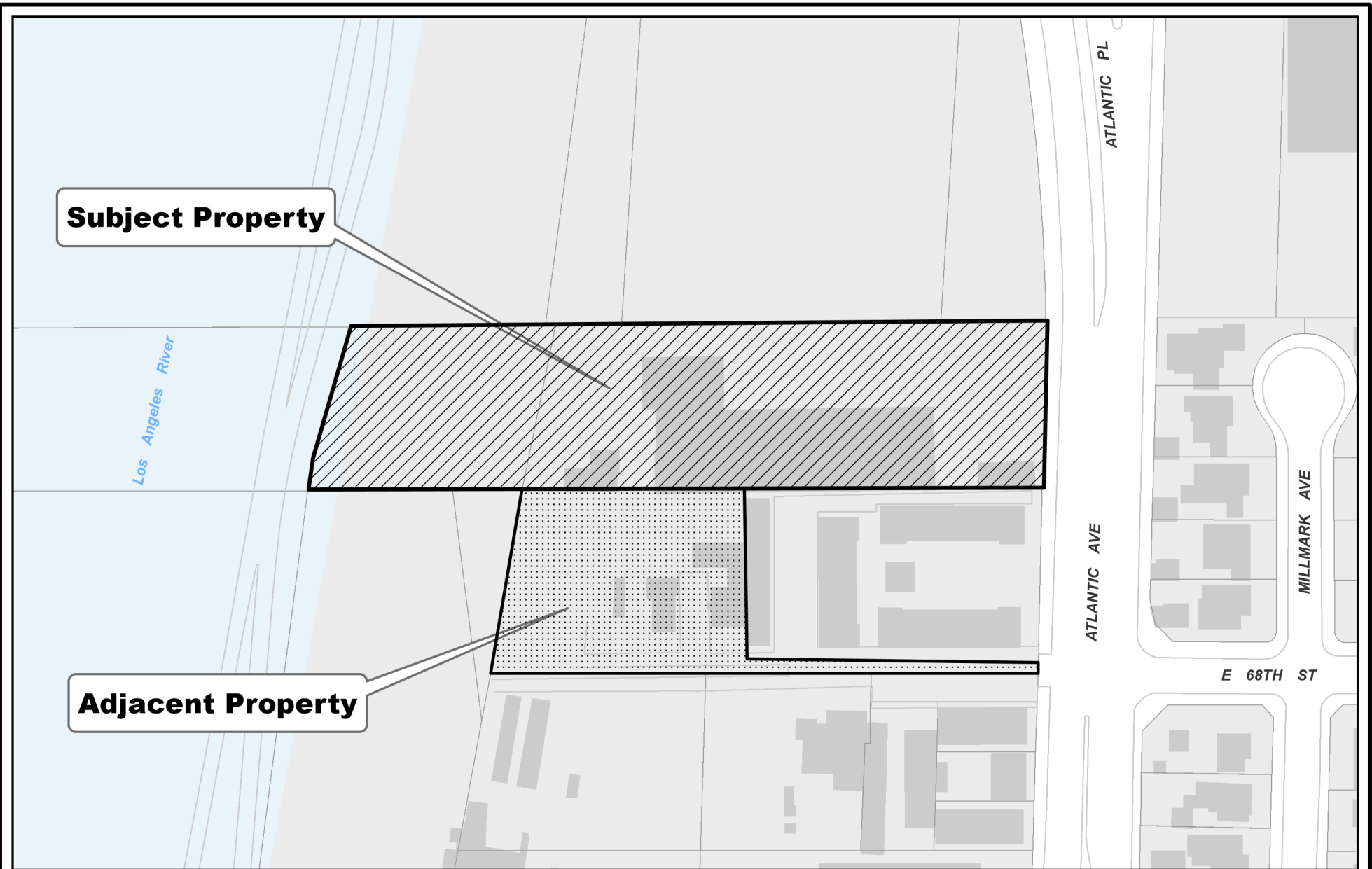
JOHNNY M. VALLEJO
ACTING DIRECTOR OF
ECONOMIC DEVELOPMENT

ATTACHMENTS: Exhibit A – Subject Property Map

APPROVED:



THOMAS B. MODICA
CITY MANAGER



Subject Property

Adjacent Property



Subject Property:
6845 Atlantic Ave
Council District : 9

Attachment

