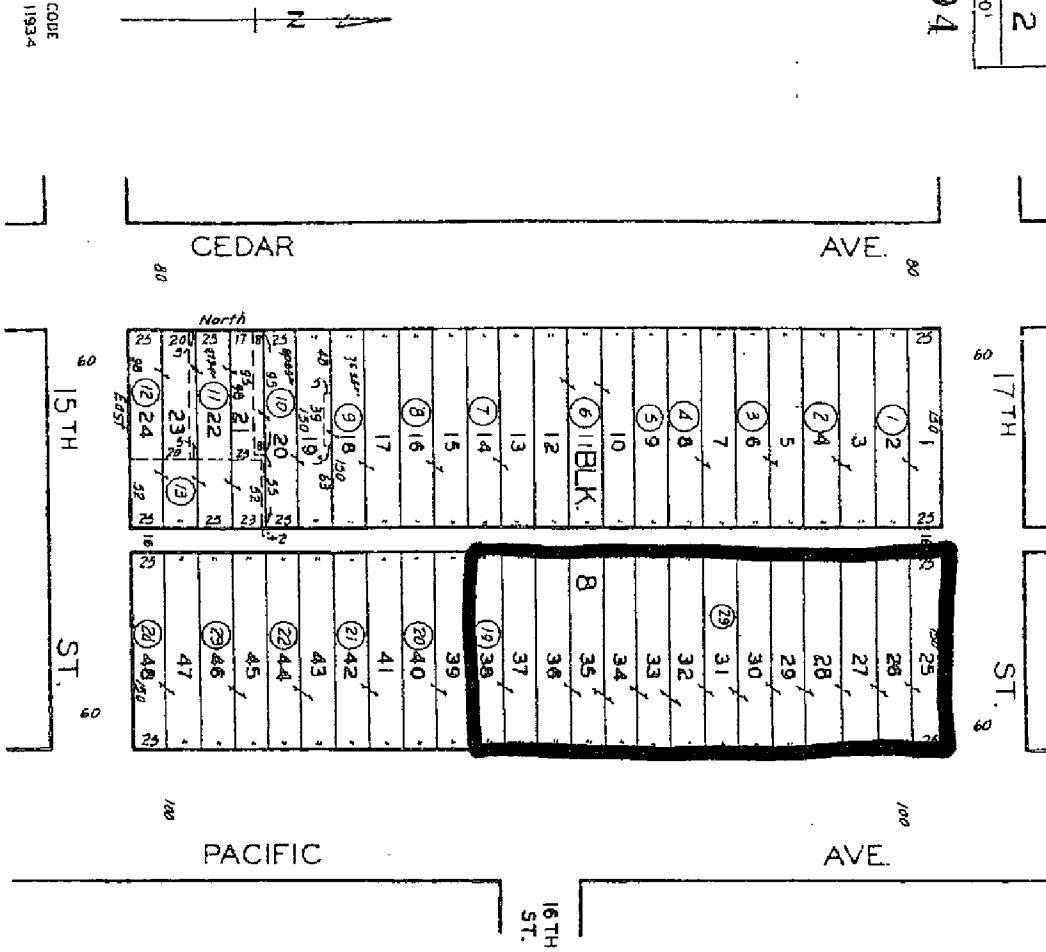


7269 2
A.P.N. = 801
1994

ATTACHMENT A



DEPICTED HEREON, YOU SHOULD NOT RELY UPON THIS FOR ANY PURPOSE OTHER THAN ORIENTATION TO THE GENERAL LOCATION OF THE PARCEL OR PARCELS DEPICTED. FIRST AMERICAN EXPRESSLY DISCLAIMS ANY LIABILITY FOR ALLEGED LOSS OR DAMAGE WHICH MAY RESULT FROM RELIANCE UPON THIS MAP.

PACIFIC APARTMENTS

FOR PREV. ASSMT. SEE 833-7

PACIFIC HOME TRACT

M. B. 6-17

COURTY OF LOS ANGELES, CALIF.

MAR 10 1994

ASSESSOR'S MAP

REVISIONS
5-31-61
11-30-64
3-27-68
9/22/82

FILE COPY



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90801

RECEIVED
CITY CLERK
LONG BEACH, CALIF.

03 MAR 20 AM 11:53

March 25, 2003

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Loan Agreement Between the City of Long Beach and Squier Properties and the Long Beach Affordable Housing Coalition, for the Development of the Pacific Apartments (District 1)

DISCUSSION

Pacific Apartments will be located on the west side of Pacific Avenue at 16th Street, in the Central Long Beach Redevelopment Project Area (site map attached). The development site is approximately 1.2 acres of vacant land owned by the Long Beach Affordable Housing Coalition. Squier Properties and the Long Beach Affordable Housing Coalition (Developer) are requesting financial assistance from the City of Long Beach to develop the Pacific Apartments. The parcel will be acquired by a limited partnership consisting of Squier Properties and the Long Beach Affordable Housing Coalition.

Pacific Apartments will be a 42-unit apartment complex consisting of 35 three-bedroom and 8 four-bedroom units. In addition to housing, the Developer proposes to include a 3,000-4,000 square foot community center designed to accommodate a childcare program. The community space also includes a study/computer room, lounge, and large recreation room. Outdoor space includes a tot lot, a 1/10-mile jogging track, a picnic area with barbecues and a 48 by 80 foot "mini soccer" field. In addition, the apartments will be extensively landscaped with trees and vines surrounding the perimeter, potted trees and shrubs in the interior courts, and a lawn at the soccer field.

The Developer has met with community groups within the project area to introduce the Pacific Apartments and to receive community feedback. The groups have been enthusiastic about the development and have given the Developer constructive comments on the proposal. The Developer is working with its architect to incorporate the suggestions from the community groups into the development. Conceptual renderings and site plans are being finalized for approval by the City.

The Long Beach Housing Development Company (LBHDC) Board of Directors reviewed and discussed the Pacific Avenue Apartment development at their February 19, 2003 meeting (see attached letter). The LBHDC unanimously endorsed and supported the Pacific Avenue Apartments. The LBHDC feels strongly that an affordable housing development in this neighborhood would serve low-income families and would be an integral part of the revitalization of the neighborhood.

HONORABLE MAYOR AND CITY COUNCIL

March 25, 2003

Page 2

The Developer will secure financing for this development through 9 percent low-income housing tax credits and a Federal Home Loan Bank Affordable Housing Program (AHP) grant. However, additional funds in the amount of \$1,850,000 are needed to fully finance the acquisition and construction of the development. Keyser Marston Associates, the City's economic consultant, has reviewed the developer's proforma and concurs that the development has a financial gap of \$1,850,000.

Staff has reviewed the request and recommends financial assistance of \$1,850,000 for the Pacific Apartments for the following reasons:

1. Pacific Apartments is designed to alleviate the growing incidence of overcrowding that is occurring in the Long Beach housing stock. That overcrowding is the product of a mismatch between a rental housing stock dominated by single and one-bedroom apartments, and a population dominated by large families. The Developer will give first priority in tenant selection to families in the neighborhood that are living in overcrowded conditions, including Cedar Street immediately to the west. The Developer is proposing to make 42 units affordable to very low- and low-income households for a period of 55 years. One unit will be reserved for use by the resident manager and will not be restricted.

Pacific Apartments presents an opportunity to address the City's critical need for large-family rental units that are affordable to low- and very low-income households, as identified in the City's Housing Element.

2. At a cost of \$44,048 of assistance per unit, the Pacific Apartments represents a cost efficient way to create 42 units at affordable rents for very low- and low-income families. Affordability will be directed at Long Beach low wage workers who now face severe overcrowding and growing rent burdens. One-quarter of Pacific Apartments will rent to households earning less than 35 percent of the Area Median Income. This translates to an income of \$19,258 for a family of four. The balance of the units will be rented to families earning less than 55 percent, or \$30,305 for a family of four. Rents will range from \$316 to \$530 a month for a three-bedroom, and \$339 to \$737 a month for a four-bedroom apartment.
3. Prior to funding the City's loan, the developer will be required to have obtained funding commitments of approximately \$9.6 million of the total development cost of \$11.1 million, which eliminates the funding risk commonly associated with other developments being presented to the City for consideration. City assistance would be leveraged at six times the amount invested.

The remaining \$1,850,000 requested will be funded by federal HOME funds. The loan will be structured as a residual receipts note with a 3 percent annual interest rate, maturing in 55 years. This loan structure enables the Developer to maximize tax credit funding for the development.

HONORABLE MAYOR AND CITY COUNCIL
March 25, 2003
Page 3

4. The Advanced Planning Division prepared an environmental review per the applicable City and U.S. Department of Housing and Urban Development (HUD) regulations and found that the Pacific Apartments will not have a significant impact on the environment or public services of the surrounding neighborhoods.

This letter was reviewed by Deputy City Attorney Everett L. Glenn on March 12, 2003, and Budget Manager Michael A. Killebrew on March 17, 2003.

TIMING CONSIDERATIONS

City Council action is requested at the March 25, 2003, meeting to provide a commitment letter to meet the tax credit application deadline of March 26, 2003.

FISCAL IMPACT

The proposed loan in the amount of \$1,850,000 will be funded by federal HOME grant funds. Sufficient appropriation is budgeted in the Community Development Grants Fund (SR 150) in the Department of Community Development (CD). There is no impact on the General Fund.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve a loan of \$1,850,000 to Squier Properties and the Long Beach Affordable Housing Coalition and authorize the City Manager to execute all documents necessary to consummate the transactions contemplated by the Loan Agreement and any and all documents executed in connection with the Loan Agreement between the City of Long Beach and Squier Properties and the Long Beach Affordable Housing Coalition.

Respectfully submitted,

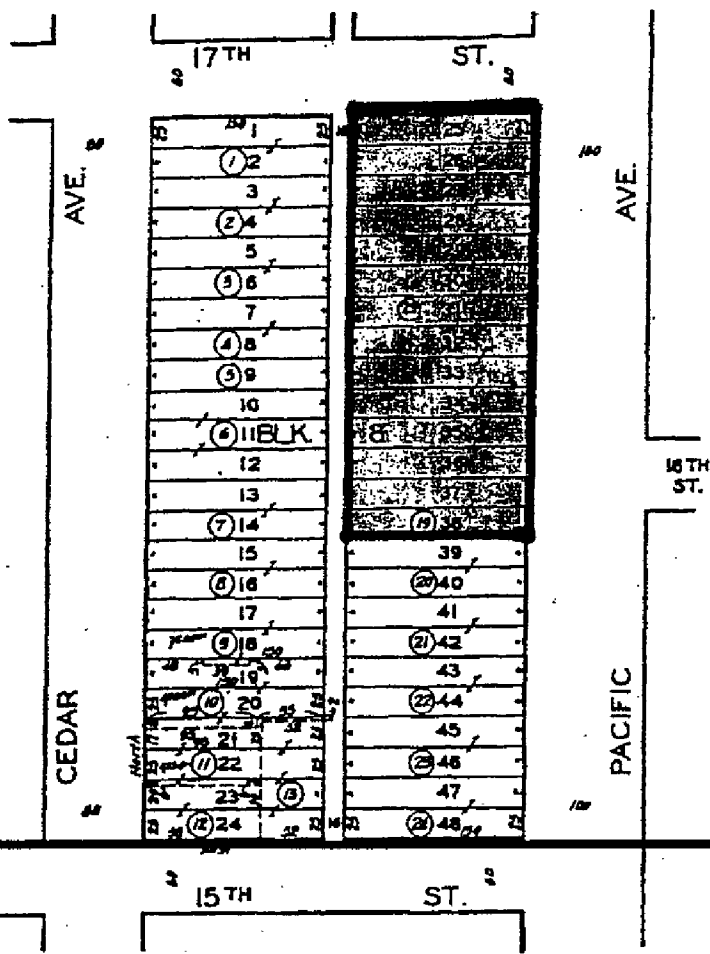

MELANIE S. FALLON
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:


GERALD R. MILLER
ACTING CITY MANAGER

7269 | 2
SCALE 1" = 80'

1994



PACIFIC HOME TRACT

FOR REY. ASMT. SEE 833-7

M. B. 6-17

26



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

December 2, 2003

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Amendment to Loan Agreement for the Development of the Pacific Apartments (District 1)

DISCUSSION

On March 25, 2003, City Council approved a construction and term loan of \$1,850,000 to Squier Properties and the Long Beach Affordable Housing Coalition (Developer) for the development of Pacific Apartments (the March 25, 2003, City Council is letter attached). The Pacific Apartments development is proposed as a 42-unit apartment complex (Development) located on the west side of Pacific Avenue at 16th Street, in the Central Long Beach Redevelopment Project Area (site map attached). Disbursement of the proceeds of the loan is contingent upon the Developer securing an allocation from the California Tax Credit Allocation Committee of 9% low-income housing tax credits and a Federal Home Loan Bank Affordable Housing Program (AHP) grant.

The Developer has executed a Purchase and Sale Agreement with the owner of the parcel on which the Development will be built that expires on December 31, 2003, with a purchase price of \$1,500,000. Subsequently, before the developer secured the necessary financing, the Long Beach Unified School District (LBUSD) expressed their desire to acquire the property for a new elementary school site. Given this information, the Developer cannot obtain financing commitments from their lending and investment partners for acquisition of the parcel. Also, with LBUSD's interest, the seller of the property has no incentive to extend the Purchase and Sale Agreement past the expiration date.

The Developer has requested that the City amend the loan authorization to permit disbursement of the proceeds of the loan to finance acquisition of the property prior to securing an allocation from the California Tax Credit Allocation Committee and/or the Federal Home Loan Bank Affordable Housing Program (AHP) grant. The City would be in a priority position on title and therefore control the disposition of the site so that predevelopment work can continue. Staff recommends that the City assist the Developer in purchasing the site without losing control of the site and preserve the current below market purchase price of \$1,500,000. The terms and conditions of the \$1,500,000 loan to the developer to acquire the property will include appropriate protection of the interest of the city.

HONORABLE MAYOR AND CITY COUNCIL
December 2, 2003
Page 2

This letter was reviewed by Deputy City Attorney Everett L. Glenn on November 17, 2003, and Budget Manager Michael A. Killebrew on November 18, 2003.

TIMING CONSIDERATIONS

City Council action is requested at the December 2, 2003, meeting to provide time to execute the loan agreement prior to December 31, 2003, to meet the deadline for purchase of the development site.

FISCAL IMPACT

There is no impact on the General Fund. The total loan amount remains at \$1,850,000 in federal HOME grant funds, as approved by Council on March 25, 2003. Sufficient appropriation is budgeted in the Community Development Grants Fund (SR 150) in the Department of Community Development (CD).

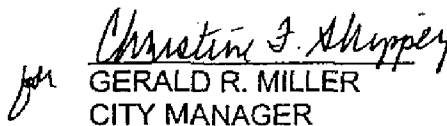
IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve the amendment to the loan authorization of \$1,850,000 to permit disbursement of funds for acquisition, predevelopment, and construction costs, and authorize the City Manager to execute all documents necessary to consummate the transactions contemplated by the amended loan authorization, and authorize the execution of any and all documents required in connection therewith.

Respectfully submitted,


FOR MELANIE S. FALLON
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:


GERALD R. MILLER
CITY MANAGER

MF:EBS:JG:DS
Pacific.cc.ltr.2 V2.doc

Attachments