



The
Long Beach
Housing
Development
Company

MEMORANDUM

DATE: February 20, 2008
TO: Board of Directors
 The Long Beach Housing Development Company
FROM: Ellie Tolentino, Vice President *Ellie Tolentino*
PREPARED BY: Patrick Ure, Housing Development Officer
SUBJECT: Exclusive Negotiation Agreement with Meta Housing Corporation (CD 1)

RECOMMENDATION

- 1) Authorize the President or designee to enter into an Exclusive Negotiation Agreement with Meta Housing Corporation for the development of 1235 Long Beach Boulevard; and
- 2) Authorize the President or designee to execute any and all documents necessary to implement the Exclusive Negotiation Agreement.

BACKGROUND

On September 19, 2007, the LBHDC approved a loan of \$5,152,000 to Meta Housing Corporation (Meta) to complete the acquisition of a site at 1235 Long Beach Boulevard for the development of a proposed mixed-use transit-oriented development. A copy of the LBHDC staff report is attached for your information.

Housing Services Bureau and Redevelopment Agency staff have been working with Meta since May 2007 on development plans for the site, which is located on the south west corner of Long Beach Boulevard and Anaheim Street (site plan attached). The site contains approximately 150,000 (SF) or 3.4 acres. The proposed project includes the following:

- Subterranean and above ground parking (above retail level).
- 70,000 SF of retail space with outdoor dining, plaza areas, public outdoor performance areas, improved access to public transportation, and widened pedestrian right of ways with landscaping and street trees.
- Rental and for-sale housing in two distinct residential buildings. Building one contains 146 1-bedroom and 2-bedroom apartment units designed for active seniors age 55 and above. Building two contains

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AGENDA ITEM NO. 5B

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221 condominium units ranging in size from one to three bedrooms. The project includes community rooms, classrooms, a fitness center, and resident services. The unit breakdown and affordability are as follows:

	Senior Rental	For-Sale	Total
Very Low	4	-	4
Low	26	23	49
Moderate	-	23	23
Subtotal Affordable	30	46	76
Market-Rate	115	175	290
Total Units	145	221	366

The Central Long Beach Strategic Guide for Development, which was adopted by the Redevelopment Agency in May 2005, encourages the development of a Transit-Oriented Neighborhood Center at Long Beach Boulevard and Anaheim Street. Both Housing and Redevelopment staff are very supportive of Meta's concept for this important corner. Housing staff is working with Meta, Redevelopment, and other City departments on the project's overall design.

Staff is also working with Meta to identify and apply for project funding. The California State Department of Housing and Community Development recently released a Notice of Funding Availability under their Transit-Oriented Development Housing Program, which offers up to \$17 million per project for housing development and infrastructure improvements. The application for funds is due on March 7, 2008. To make our application more competitive, staff recommends that the LBHDC enter into an Exclusive Negotiation Agreement (ENA) with Meta. An ENA does not obligate the LBHDC to make any additional financial commitments to the project; it simply formalizes the LBHDC's commitment to negotiate with Meta. A sample ENA is attached for your information.

Attachments:

- September 19, 2007 LBHDC Staff Report
- Project Site Plan
- Sample ENA (Brookfield Homes)



MEMORANDUM

Date: September 19, 2007
To: Board of Directors
The Long Beach Housing Development Company
From: Executive Review Committee
Prepared by: Meggan Sorensen, Development Project Manager
Subject: Acquisition Loan Agreement between The Long Beach Housing Development Company and Meta Housing Corporation to Complete Acquisition of the Proposed Transit Oriented Development Site at Long Beach Boulevard and Anaheim Street (CD1)

RECOMMENDATIONS

- 1) Approve a loan of \$5,152,000 to Meta Housing Corporation to complete acquisition for a proposed transit-oriented development at Long Beach Boulevard and Anaheim Street;
- 2) Authorize the President or designee to negotiate and enter into an Acquisition Loan Agreement with Meta Housing Corporation; and
- 3) Authorize the President or designee to execute any and all documents necessary to implement the Acquisition Loan Agreement.

DEVELOPER BACKGROUND

Meta Housing Corporation was established in 1969 and has developed more than 10,000 single-family and multifamily residential units. Their portfolio of successful developments includes 10 family and 20 senior developments throughout Los Angeles and Orange Counties. Several of these developments have been recognized throughout the industry with awards, including the 2002 National Senior Housing Council's Gold Award for the nation's Most Outstanding Active Senior Community; and the 2004 National Association of Home Builder's Platinum Medal in the Active Adult Community category.

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AGENDA ITEM NO. 5 B

One of the goals of Meta Housing is to develop urban infill projects that help to revitalize the employment centers of Southern California by providing quality new housing for residents who want to leave the strain of a commute behind and become more immersed in the community where they live and work. Combining affordable housing opportunities alongside market-rate units is also a central aspect of Meta Housing's vision. The organization strives to implement on-site services early in the design process and plans for amenities and programs that will engage residents and help create an active community.

PROJECT DESCRIPTION

In May 2007, LBHDC and Redevelopment Agency staff met with a representative of Meta Housing, who provided an overview of their proposed mixed-use development at the corner of Long Beach Boulevard and Anaheim Street. The initial proposal assumed the residential portion of the development would be 100% affordable. Neither LBHDC nor Redevelopment staff supported a 100% affordable project at this location. After receiving initial feedback from staff, Meta Housing sent a letter summarizing a revised development model. The current model encompasses the following:

- 160 Senior Rental Units
 - 20% affordable
 - 80% market rate
- 156 For-Sale Condos
 - 20% affordable
 - 10% low income
 - 10% moderate income
 - 80% market rate
- Learning Center and Retail Space (63,780 sq. ft.)
- 679 Parking Spaces

Though additional work must be completed on the proposal before staff would support a development agreement, both LBHDC and Redevelopment staff are very supportive of Meta Housing's concept for this important corner. The Central Long Beach Strategic Guide for Development, which was adopted by the Redevelopment Agency in May of 2005, encourages the development of a Transit-oriented Neighborhood Center at Long Beach Boulevard and Anaheim Street. Staff is confident that development plans will move forward as acquisition of the complete site is eminent.

PROPOSED ACQUISITIONS

Meta Housing has already acquired 105,260 sq. ft. of the total proposed 132,760 sq. ft. site with a \$24,400,000 acquisition and predevelopment loan from Century Housing.

Meta Housing is now negotiating for the purchase of the two remaining parcels in the project site containing 27,600 sq. ft. at a total cost of \$5,152,000, and is requesting an acquisition loan in the amount of \$5,152,000 from the LBHDC. A description of the properties is as follows:

202-206 Anaheim Street – Located on the southeast corner of Anaheim Street and Locust Boulevard. The property is 16,500 sq. ft., encompassing a paved parking lot and an 8,500 sq. ft. retail structure built in 1922. A small market and a check-cashing store currently occupy this retail tenant space. The agreed upon acquisition price includes a lease buyout in the amount of \$335,000. The property is in a Planned Development District, PD-29, which encourages a mix of living, shopping, and working opportunities. Total purchase price is \$2,876,000. Price per sq. ft., excluding the lease buyout amount is \$154 per sq. ft.

1201 Long Beach Boulevard – Located on the northwest corner of Long Beach Boulevard and 12th Street. The parcel is 11,100 sq. ft. and contains a paved parking lot and a one-story 2,235 sq. ft. eye clinic built in 1995. This property is also zoned PD-29. Total purchase price is \$2,276,000, or \$205 per sq. ft.

PROPOSED LOAN TERMS

Principal Amount: \$5,152,000

Interest: 0% unless Meta Housing defaults on the terms of the Acquisition Loan Agreement, in which case the principal loan amount will accrue interest at 10% per year.

Maturity: 18 months from execution of an Acquisition Loan Agreement, unless the principal amount rolls into a new development agreement.

Security: 1st Trust Deed on 1201 Long Beach Boulevard
1st Trust Deed on the property at 202-206 E. Anaheim Street

The Executive Review Committee reviewed this request on September 5, 2007, and recommended Board approval. Staff will return to the Board at a later date with a development plan for this site.

Attachments:


- Map indicating subject properties and proposed development site
- Photographs of subject properties

ET:PU:MM

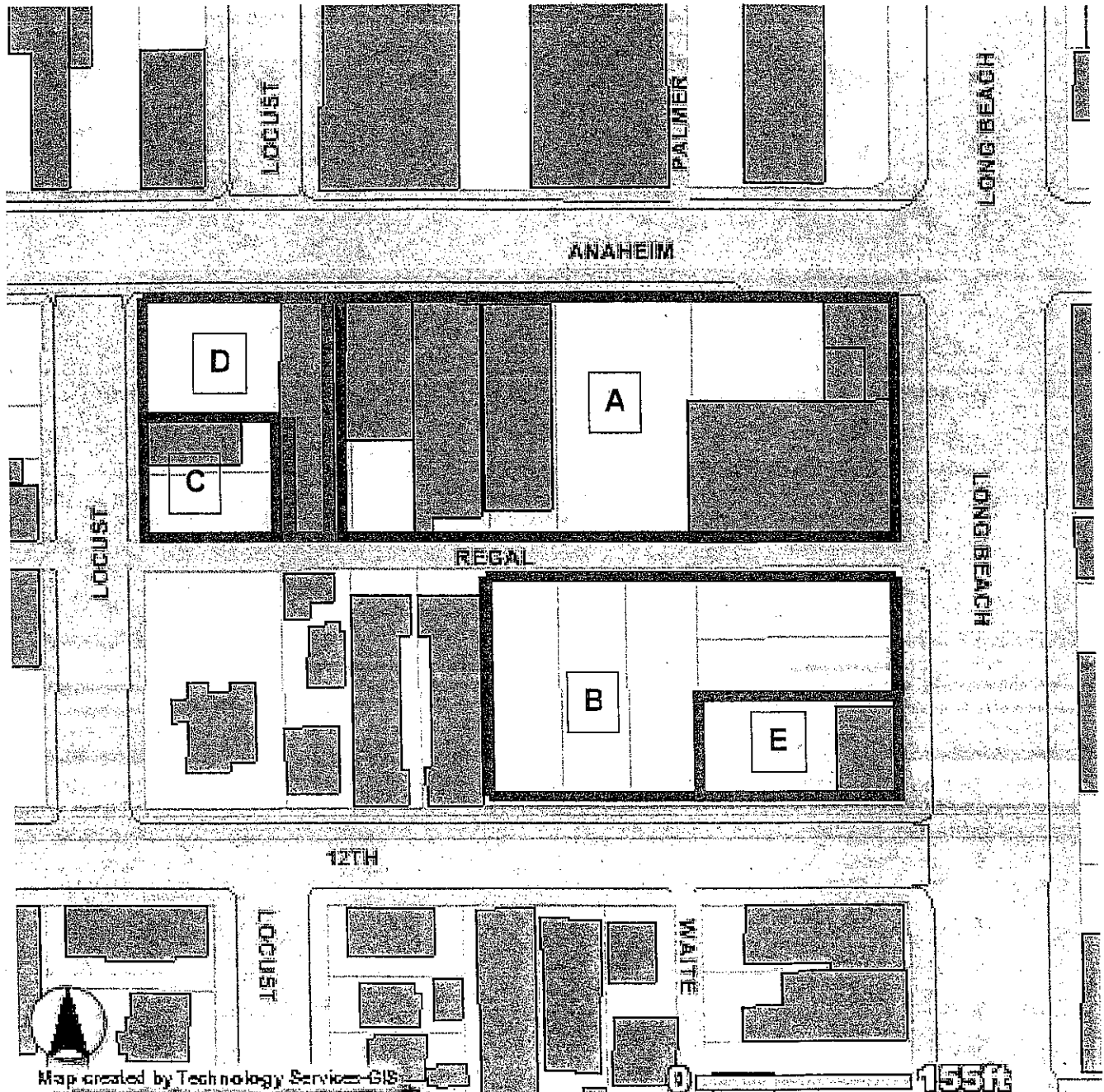
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MAP OF PROPOSED ACQUISITIONS

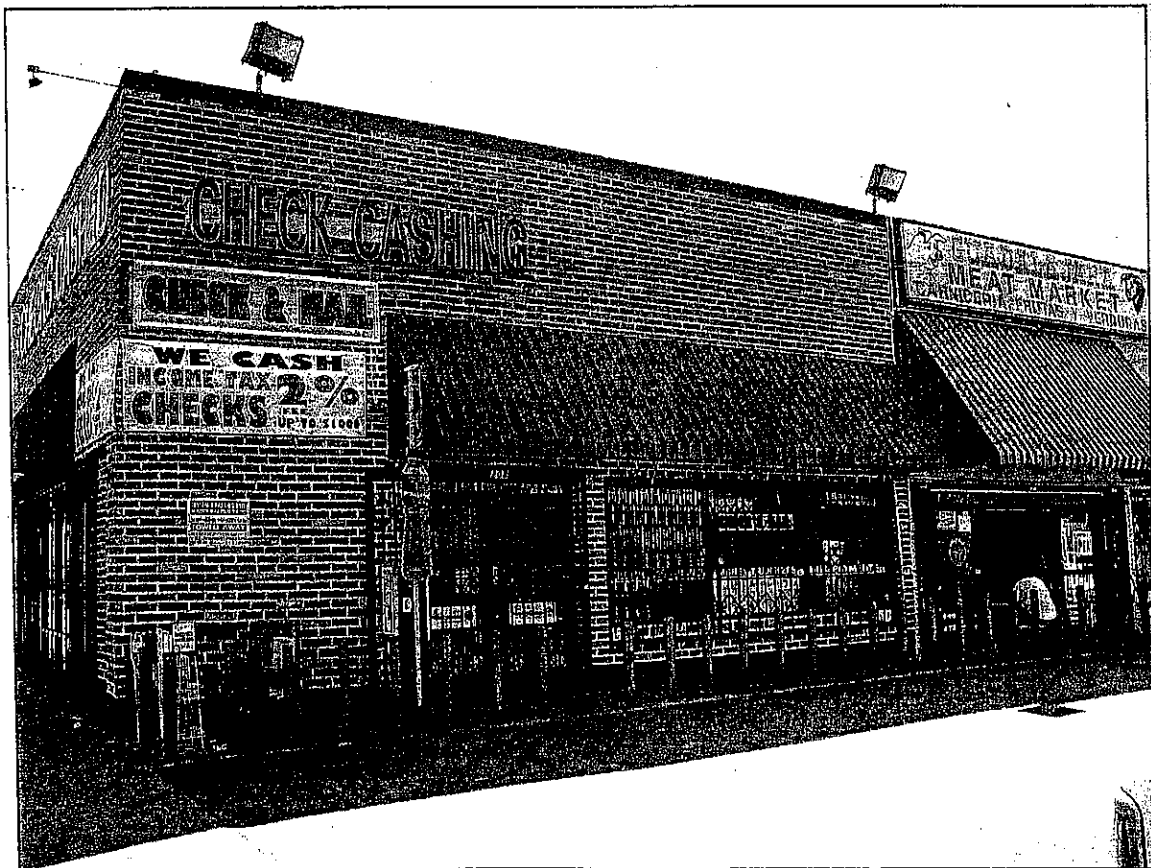
202-206 Anaheim Street and 1201 Long Beach Boulevard

 Proposed Acquisition with LBHDC Loan

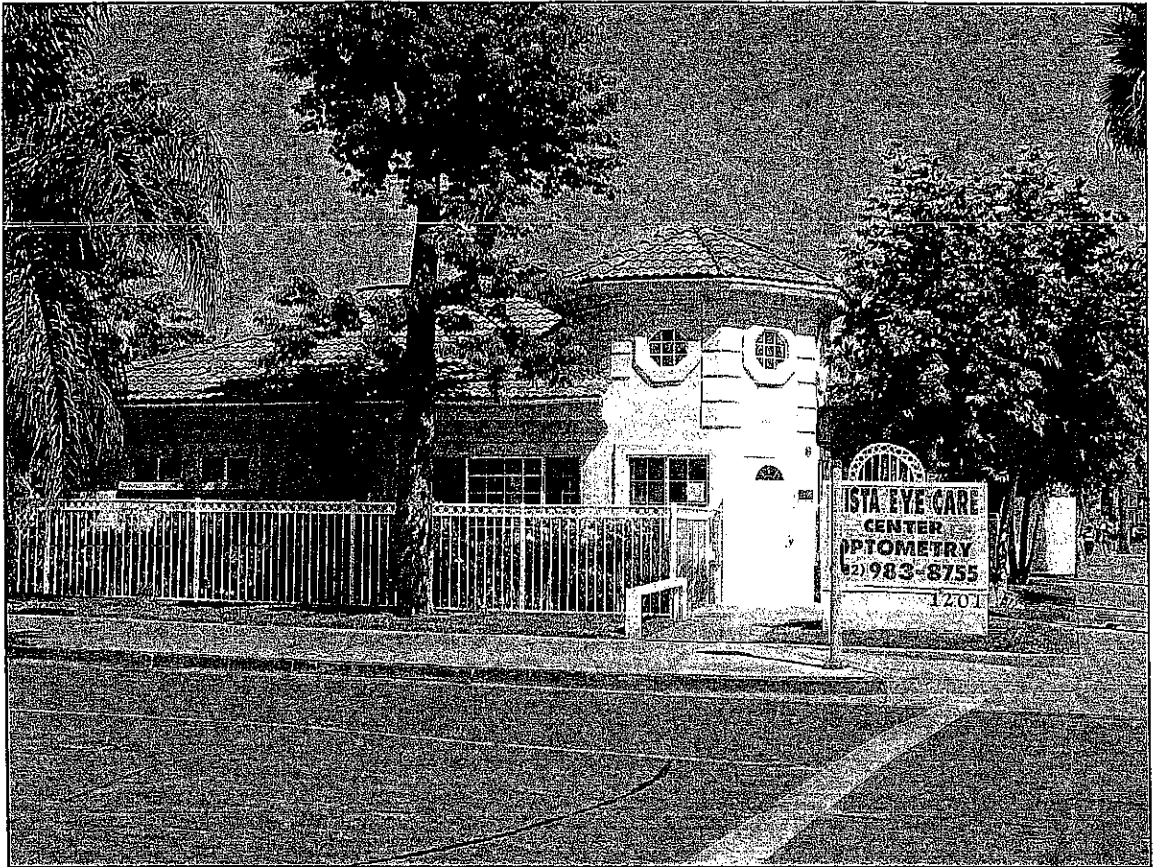
 Previously Acquired

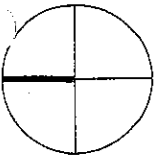


202-206 Anaheim Street



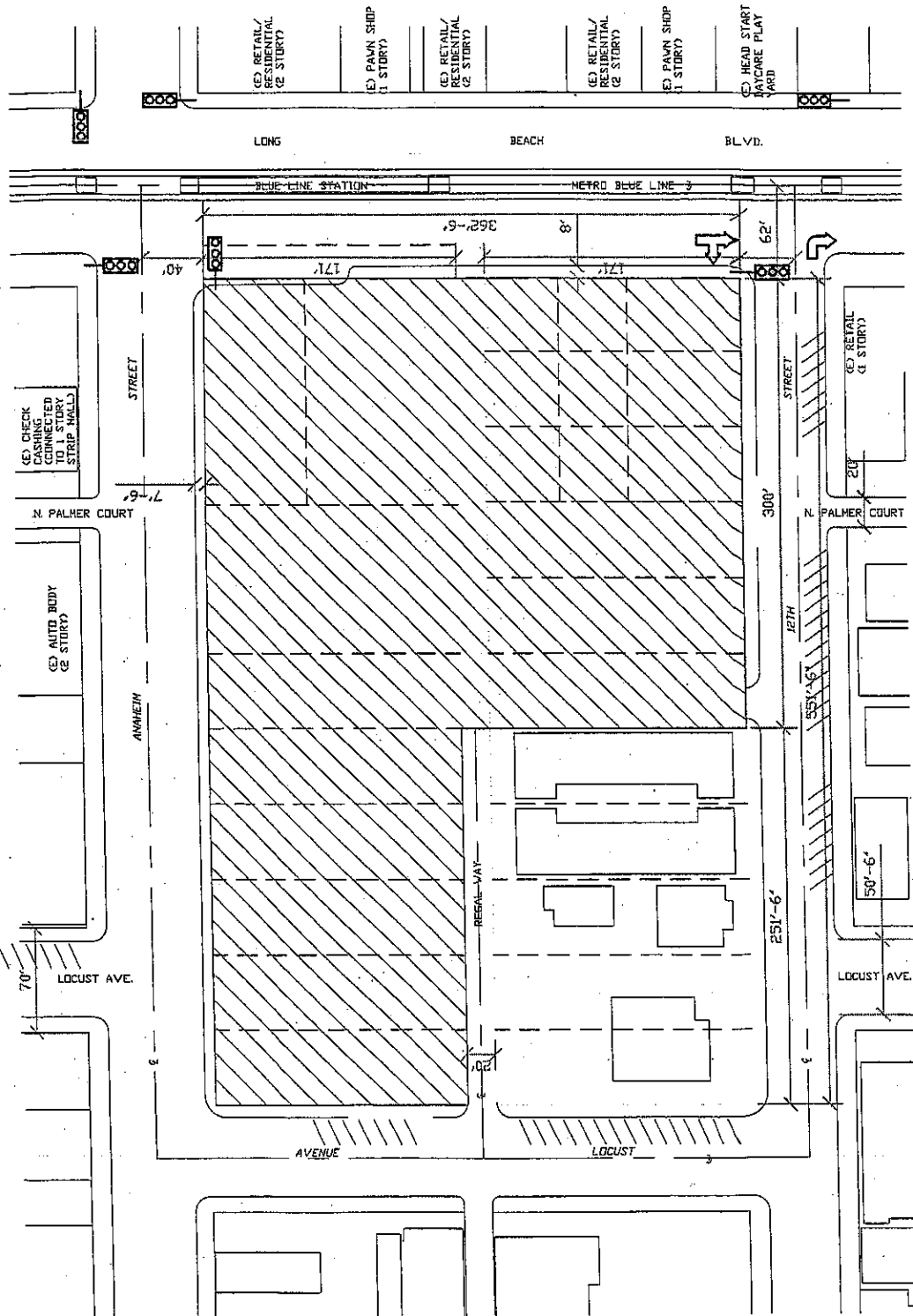
1201 Long Beach Blvd.





architecture
planning
interiors

3250 West Wilshire Blvd.
4th Floor
Los Angeles, CA 90010
Tel 213.380.3886
Fax 213.380.3898



LONG BEACH & ANAHEIM - META HOUSING

1235 LONG BEACH BLVD., LONG BEACH, CALIFORNIA

SITE PLAN

SCALE: NONE

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 subject matter of this Agreement or the Property, and LBHDC shall be free to negotiate
2 with any other person or entities with regard to the Property; provided, however, that
3 LBHDC and Developer may mutually agree in writing to further extend the exclusive
4 negotiation period for an additional forty-five (45) days at the option of LBHDC's President.

5 3. OBLIGATIONS OF DEVELOPER

6 A. Evidence of Financing

7 Developer shall, during the negotiation of the Disposition and
8 Development Agreement, develop a program of financing to provide LBHDC with
9 reasonably satisfactory evidence that financing will be available for acquisition and
10 development of the Property.

11 B. Development Plan

12 During the exclusive negotiating period, Developer shall formulate a
13 development plan for the Property ("Plan"), and shall submit the same to LBHDC for
14 approval. The Plan shall include tabulation of the number of residential units proposed,
15 the square footage of each unit proposed, and a tabulation of the parking spaces
16 proposed, and shall otherwise be in a format reasonably acceptable to LBHDC. Developer
17 shall also prepare and submit all drawings ("Drawings") necessary for a Stage 1 Design
18 Review by LBHDC. Developer shall also furnish such information to LBHDC regarding the
19 proposed project as may be required to perform an environmental review pursuant to the
20 California Environmental Quality Act (CEQA).

21 C. Good Faith Deposit

22 Within ninety (90) days of execution of this Agreement, Developer
23 shall pay to LBHDC a good faith deposit ("Deposit") in the amount of Fifteen Thousand and
24 No/100 Dollars (\$15,000.00). The Deposit shall be used for CEQA compliance costs. If
25 a CEQA document is not prepared, then LBHDC shall refund the Deposit to Developer.

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Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 4. OBLIGATIONS OF LBHDC

2 A. LBHDC Assistance and Cooperation

3 LBHDC shall cooperate fully in providing Developer with appropriate
4 information and assistance.

5 B. LBHDC and City Public Hearing

6 If the negotiations culminate in a Disposition and Development
7 Agreement, signed by Developer, such Agreement shall become effective only after and
8 if the Agreement has been considered and approved by LBHDC.

9 5. CONFIDENTIALITY

10 To the extent permitted by applicable law, the Developer and LBHDC shall
11 maintain all information concerning this Agreement and any pending or subsequent
12 negotiations between LBHDC and Developer as confidential, disclosing information only
13 to those individuals and representatives as designated by the other party; provided that
14 such individuals acknowledge and agree to maintain the confidentiality of such information.

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1 THE PARTIES have executed this Agreement as of the date first written above.

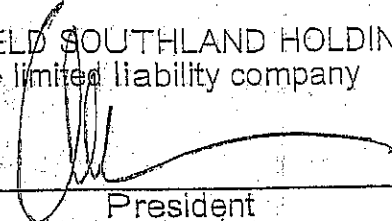
2 THE LONG BEACH HOUSING DEVELOPMENT
3 COMPANY, a California non-profit public benefit
4 corporation

5 Dated: 5/22, 2007

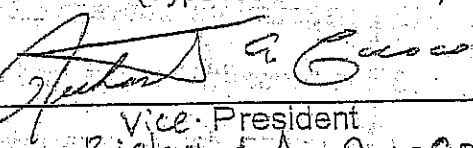
6 By 
7 Patrick H. West
8 (Type or Print Name)

9 BROOKFIELD SOUTHLAND HOLDINGS LLC,
10 a Delaware limited liability company

11 Dated: January 19, 2007

12 By 
13 Adrian Foley
14 (Type or Print Name)

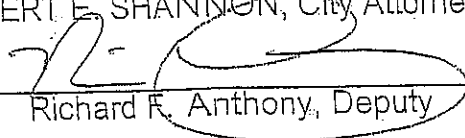
15 Dated: January 19, 2007

16 By 
17 Richard A. Wood
18 (Type or Print Name)

19 "DEVELOPER"

20 The foregoing Agreement to Negotiate Exclusively is hereby approved as to form
21 this 12th day of March, 2007.

22 ROBERT E. SHANNON, City Attorney

23 By: 
24 Richard F. Anthony, Deputy

25 RFA: abc (06-05470)

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27 Robert E. Shannon
28 City Attorney of Long Beach
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EXHIBIT 1

