



LONG BEACH REDEVELOPMENT AGENCY

333 WEST OCEAN BOULEVARD, THIRD FLOOR • LONG BEACH, CA 90802 • (562) 570-6615 • FAX (562) 570-6215

March 5, 2007

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Recommendation to approve and authorize the Executive Director to execute a six-month extension to the Option Agreement with the Menorah Senior Housing Foundation. (Central - District 6)

DISCUSSION

On October 11, 2004, the Redevelopment Agency (Agency) approved a Disposition and Development Agreement (DDA) with Menorah Housing Foundation, Inc. (Participant), for the development of an affordable senior housing project along Atlantic Avenue at Vernon Street (Project). On May 20, 2005, the Agency entered into an Option Agreement (Option) with the Participant for the exclusive right to purchase the Project site.

The purpose of the Option is to enable the Participant to qualify for a capital advance from the United States Department of Housing and Urban Development (HUD) for the development of the Project. The term of the Option lasted until May 30, 2006, with the opportunity for a one-year extension. The Option was extended to one year with an expiration date of May 31, 2007.

Subsequently, on January 25, 2006, in collaboration with the Agency, the Participant was awarded a HUD 202 Capital Advance (HUD Grant) fund reservation of \$8.2 million for the construction of the Project.

The Participant expects to secure the HUD Capital Advance in July 2007, and is requesting an extension to the Option for six months. The new extension to the Option would expire on November 20, 2007.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



 PATRICK H. WEST
EXECUTIVE DIRECTOR

PHW:CB:DW:JMV

APPROVED:



GERALD R. MILLER
CITY MANAGER