



# CITY OF LONG BEACH

DEPARTMENT OF HEALTH AND HUMAN SERVICES

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HOUSING AUTHORITY  
of the City of Long Beach

521 E. 4<sup>TH</sup> STREET • LONG BEACH, CALIFORNIA 90802 • (562) 570-6985 • FAX: (562) 499-1052

September 13, 2016

HONORABLE HOUSING AUTHORITY COMMISSION  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the Executive Director to execute all documents necessary to terminate and release the 1982 Disposition and Development Agreement and the 1983 Grant Deed executed and recorded in conjunction with the development of Beachwood Apartments. (District 1)

## DISCUSSION

In 1982, the Housing Authority of the City of Long Beach (Housing Authority) entered into a Disposition and Development Agreement (DDA) with Beachwood Housing Corporation for the development of Beachwood Apartments on two properties located at 475 West 5<sup>th</sup> Street and 505 West 6<sup>th</sup> Street (Site) (Exhibit 1).

The Housing Authority acquired the Site, and sold it to Beachwood Housing Corporation in 1983. Beachwood Housing Corporation then developed 45 affordable rental units in two separate buildings in accordance with the DDA (Project). The Project contains 32 one-bedroom and 13 two-bedroom units. The DDA (Contract 15822) and a Grant Deed recorded in conjunction with the conveyance of the site in April 1983 (Instrument 83-474419) require that the units be restricted for occupancy by lower-income disabled households for a period of 40 years from the date the site was transferred. There are seven years remaining on the current restrictions, which are due to expire in 2023. If they are not extended the Project is at-risk of converting to market-rate.

Century Affordable Development, Inc. (Century), is proposing to purchase and rehabilitate the Project, and extend the affordability period. On August 17, 2016, The Long Beach Community Investment Company (LBCIC) approved a loan of \$2.1 million to Century for the acquisition of the site. In conjunction with the loan, the LBCIC will record a new covenant that will replace the existing Housing Authority covenant, and continue to restrict the project's occupancy to lower-income disabled households for 55 years from the date that it is recorded in early 2017.

HONORABLE HOUSING AUTHORITY

September 13, 2016

Page 2

In addition, the current property owner has a U.S. Department of Housing and Urban Development (HUD) Section 8 Housing Assistance Payments Program Contract (HAP) in place, which provides rental assistance to households in 44 of the 45 units (one unit is reserved as a manager's unit). Century is currently seeking HUD's approval of a transfer and assignment of the existing HAP, and will seek a 20-year renewal of the HAP after they acquire the Project. Century has evaluated the Project's existing residents, and has determined that they are all income qualified, so no residents will be relocated as part of the acquisition and rehabilitation of the Project.

This matter was reviewed by Deputy City Attorney Robin Zur Schmiede on August 30 2016 and Budget Analysis Officer Rhutu Amin Gharib on August 24, 2016.

TIMING CONSIDERATIONS

Housing Authority Commission action is requested on September 13, 2016 to facilitate the sale of Beachwood Apartments to Century.

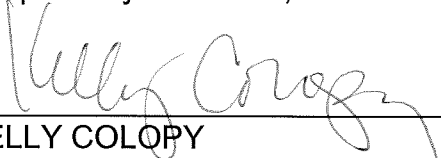
FISCAL IMPACT

There is no fiscal or local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

  
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KELLY COLOPY  
ASSISTANT EXECUTIVE DIRECTOR

APPROVED:

  
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PATRICK H. WEST  
EXECUTIVE DIRECTOR

PHW:KC:AWK:PU

ATTACHMENT

**Beachwood Apartments**  
**505 West 6<sup>th</sup> Street and 475 West 5<sup>th</sup> Street**

**Exhibit 1**

