

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6465 • Fax (562) 570-5836

October 4, 2016

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive supporting documentation into the record regarding the Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing; and adopt the attached Resolution approving the issuance of multifamily housing revenue bonds by the California Municipal Finance Authority (CMFA), to benefit Beacon Pointe, L.P., a partnership to be formed by Century Housing Corporation (Century Housing), a nonprofit corporation, in an amount not to exceed \$45,000,000. (District 1)

DISCUSSION

Century Housing has requested that CMFA issue bonds on its behalf, in an aggregate amount not to exceed \$45,000,000, for the development of a new affordable senior rental housing facility known as Beacon Pointe, which is located at 1201-1235 Long Beach Boulevard (Project).

Century Housing was established in 1995 as a 501(c)3 nonprofit organization. In addition to being a lender to other affordable housing developers throughout the State of California, Century Housing also has extensive development experience. Over the past 18 years, Century Housing has developed more than 375,000 square feet of housing and supportive service space, which includes 987 residential units across 10 developments. The CMFA is a joint exercise of powers authority, consisting of over 240 California cities, counties, and special districts, whose mission is to support economic development, job creation and social programs throughout the State of California.

The CMFA will issue tax-exempt debt, the proceeds of which will be loaned to Beacon Pointe, L.P. This limited partnership formed by Century Housing will develop and own the Project, which will include 121 housing units and amenities including a community room, supportive services space, computer rooms, laundry rooms, a media room, bicycle storage, and a fitness facility. The Project will provide housing for low-income seniors age 62 and above. Rental occupancy will be restricted for 55 years to households with incomes no greater than 60 percent of the area median income. Revenues from the financed Project will be the source of funds to repay the tax-exempt debt.

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The Internal Revenue Code requires that CMFA seek City Council approval in order for bonds to be issued, which will benefit facilities within the City. As required by Federal tax law, a TEFRA public hearing notification was published in the Long Beach Press-Telegram on September 8, 2016. The TEFRA hearing was scheduled for September 28, 2016 at 9:00 a.m. The public hearing was conducted by the City Treasurer in the sixth floor conference room at City Hall. No public comment was presented at the hearing.

This matter was reviewed by Deputy City Attorney Richard Anthony on September 8, 2016 and by Assistant Finance Director Lea Eriksen on September 15, 2016.

TIMING CONSIDERATIONS

City Council action is requested on October 4, 2016, to facilitate CMFA's forthcoming debt issuance.

FISCAL IMPACT

There is no fiscal impact associated with this action. The City has no financial obligation or liability associated with this financing. No City funds or taxing authority will be pledged in support of this financing. The Project will provide continued support to our local economy by providing up to 13 jobs during the construction phase.

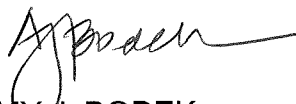
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT



AMY J. BODEK
DIRECTOR OF DEVELOPMENT SERVICES

JG:AJB:DN:vq
T:\COUNCIL ACTIVITY\COUNCIL LETTERS\2016\10-04-16 CCL - CENTURY HOUSING TEFRA BEACON POINTE LP.DOCX

ATTACHMENT

APPROVED:


PATRICK H. WEST
CITY MANAGER

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH APPROVING THE ISSUANCE OF
REVENUE BONDS BY THE CALIFORNIA MUNICIPAL
FINANCE AUTHORITY IN AN AGGREGATE PRINCIPAL
AMOUNT NOT TO EXCEED \$45,000,000 TO FINANCE A
MULTIFAMILY RENTAL HOUSING FACILITY AND
CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, Beacon Pointe L.P., a California limited partnership (the
"Borrower"), has requested that the California Municipal Finance Authority (the
"Authority") participate in the issuance of one or more series of revenue bonds in an
aggregate principal amount not to exceed \$45,000,000 (the "Bonds") for the acquisition,
construction, improvement and equipping of a 121-unit multifamily rental housing facility
for low income seniors (the "Project") to be owned and operated by the Borrower and
located at 1201-1235 Long Beach Boulevard within the City of Long Beach (the "City");
and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of
1986 (the "Code"), the issuance of the Bonds by the Authority must be approved by the
City because the Project is located within the territorial limits of the City; and

WHEREAS, the City Council of the City (the "City Council") is the elected
legislative body of the City and is one of the "applicable elected representatives" required
to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the City Council approve the
issuance of the Bonds by the Authority in order to satisfy the public approval requirement
of Section 147(f) of the Code and the requirements of Section 4 of the Joint Exercise of
Powers Agreement Relating to the California Municipal Finance Authority, dated as of

1 January 1, 2004 (the "Agreement"), among certain local agencies, including the City; and

2 WHEREAS, pursuant to Section 147(f) of the Code, the City has, following
3 notice duly given, held a public hearing regarding the issuance of the Bonds, and the City
4 Council now desires to approve the issuance of the Bonds by the Authority;

5 NOW, THEREFORE, the City Council of the City of Long Beach hereby
6 resolves as follows:

7 Section 1. The foregoing recitals are true and correct.

8 Section 2. The City Council hereby approves the issuance of the Bonds
9 by the Authority. It is the purpose and intent of the City Council that this resolution
10 constitute approval of the issuance of the Bonds by the Authority, for the purposes of (a)
11 Section 147(f) of the Code by the applicable elected representative of the governmental
12 unit having jurisdiction over the area in which the Project is located, in accordance with
13 said Section 147(f) and (b) Section 4 of the Agreement.

14 Section 3. The officers of the City are hereby authorized and directed,
15 jointly and severally, to do any and all things and to execute and deliver any and all
16 documents which they deem necessary or advisable in order to carry out, give effect to
17 and comply with the terms and intent of this resolution and the financing transaction
18 approved hereby.

19 Section 4. This resolution shall take effect immediately upon its adoption
20 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2016 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk