



# CITY OF LONG BEACH

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 3rd Floor, Long Beach, CA 90802 (562) 570-5237

June 19, 2018

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 a attached Resolution approving the issuance of multifamily revenue bonds by the Housing Authority of the County of Los Angeles (HACOLA) to benefit LINC Housing Corporation (LINC), to finance the development of The Spark at Midtown, in an amount not to exceed \$30,000,000. (District 6)

## DISCUSSION

LINC, a California nonprofit, 501 (c)(3) corporation, has requested that the HACOLA issue bonds on its behalf, in an aggregate amount not to exceed \$30,000,000, for the development of a new affordable rental housing complex known as The Spark at Midtown, which is located at 1900-1940 Long Beach Boulevard (Project).

Founded in 1984, LINC develops, operates, and provides resident services to affordable housing communities throughout California. With 7,500 units of development experience and more than 5,000 units under its management, LINC is one of the largest and most successful nonprofit affordable housing developer/operators in Southern California. LINC currently has a pipeline of 375 units and, over the last five years, has secured over \$209 million in funding. LINC's corporate office is less than two miles from the Project, and has committed to prioritizing Long Beach in the organization's efforts to build upon affordable housing as a catalyst for broader community development.

The HACOLA will issue tax-exempt debt, the proceeds of which will be loaned to LINC (Borrower), to fund the Project. The Long Beach Community Investment Company has approved a loan, in the amount of \$3,000,000, to LINC for the development of the Project. The Project will encompass 95 housing units and amenities including a community room, laundry rooms, supportive services space, bicycle storage, two outdoor courtyards, community garden planters, and dedicated space for an after-school program for school-age residents. Further, the Project will include over 12,000 square feet of ground floor commercial space, including a new 5,150-square-foot YMCA facility. The Project will provide housing for extremely low- to low-income households, earning between 30 percent and 60 percent of Area Median Income, with 47 units reserved for households that are homeless or at risk of homelessness. The Project will be developed using energy efficient and sustainable features. Revenues from the financed Project will be the source of funds to repay the tax-exempt debt.

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The California Health and Safety Code requires that HACOLA seek approval from the City Council in order for bonds to be issued that will benefit facilities within the City. As required by Federal tax law, a TEFRA public hearing notification was published in the Press-Telegram on May 21, 2018. The TEFRA hearing was held on June 6, 2018 at 10:00 a.m. The public hearing was conducted by the Community Development Commission at the Bond Library located at 700 West Main Street, Alhambra, CA. No public comment was presented at the hearing.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on June 4, 2018 and by Budget Management Officer Rhutu Amin Gharib on May 31, 2018.

TIMING CONSIDERATIONS

City Council action is requested on June 19, 2018, to facilitate HACOLA's forthcoming debt issuance.

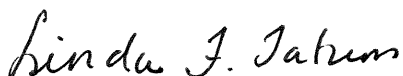
FISCAL IMPACT

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. This project will provide continued support to our local economy by providing up to 85 jobs for a ten-month period.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LINDA F. TATUM, FAICP  
DIRECTOR OF DEVELOPMENT SERVICES

LFT:AH:MS  
P:\ExOfc\CC\2018\June 2018\The Spark at Midtown\06.19.18 LINC Spark at Midtown Bond Issuance (002) V2.docx

Attachment: City Council Resolution HACOLA Multifamily Housing Revenue Bonds

APPROVED:

  
\_\_\_\_\_  
PATRICK H. WEST  
CITY MANAGER

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH CONSENTING TO THE ISSUANCE OF REVENUE BONDS BY THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 TO FINANCE A MULTIFAMILY RENTAL HOUSING FACILITY AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, the Housing Authority of the County of Los Angeles (the "Authority") has determined to engage in a multifamily rental housing finance program pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the "Act"), and to issue revenue bonds to finance the acquisition, construction, rehabilitation and development of multifamily rental housing in the County of Los Angeles (the "County"), all as provided for in the Act (the "Program"); and

WHEREAS, the Authority intends to participate in the issuance of one or more series of revenue bonds in an aggregate principal amount not to exceed \$30,000,000 (the "Bonds") for the acquisition, construction, rehabilitation, development and equipping of a 95-unit multifamily rental housing facility (the "Project") located at 1900-1940 Long Beach Boulevard within the City of Long Beach (the "City"), to be owned and operated by LINC-Sparks Apartments, L.P., a California limited partnership, or other affiliate, assignee or designee established by LINC Housing Corporation as a limited partnership; and

WHEREAS, the Authority has requested that the City Council consent to the issuance of the Bonds by the Authority in order to satisfy the requirements of the Act; and

WHEREAS, the Authority has determined that it is necessary to cooperate

1 with the City pursuant to the Act in the exercise of its powers under the Act and the  
2 Program for the purpose of financing the acquisition, construction, rehabilitation,  
3 equipping and development of the Project; and

4 WHEREAS, pursuant to Section 147(f) of the Code, the Authority has,  
5 following notice duly given, held a public hearing regarding the issuance of the Bonds;  
6 and

7 WHEREAS, following such public hearing the Los Angeles County Board of  
8 Supervisors will approve the issuance of the Bonds pursuant to Section 147(c) of the  
9 Code;

10 NOW, THEREFORE, the City Council of the City of Long Beach hereby  
11 resolves as follows:

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

13 Section 2. The City Council hereby consents to the issuance of the  
14 Bonds by the Authority pursuant to a plan of financing in an amount not to exceed  
15 \$30,000,000 to make or acquire mortgage loans under the Program, all as more  
16 specifically set forth in the Act, with respect to the Project within the City (which Bonds  
17 may be issued in one or more series and in conjunction with other bonds of the Authority)  
18 and further agrees that the Authority may exercise any or all of its powers for the purpose  
19 of financing mortgage loans pursuant to the Act and the Program with respect to the  
20 Project in the City and that the authorized representatives of the City are hereby  
21 authorized to enter into documents relating to the Project and the Program which enable  
22 the issuance of such Bonds by the Authority and the making or acquisition of such  
23 mortgage loans.

24 Section 3. The City agrees to cooperate with the Authority to facilitate the  
25 issuance of the Bonds, and shall take such actions as are reasonably requested by the  
26 Authority to permit the issuance of the Bonds. Without limiting the generality of the  
27 foregoing, the Authority will submit the proposed issuance of Bonds by the County to  
28 finance the construction, acquisition, rehabilitation and development of the Project to the

1 Board of Supervisors of the County for consideration for approval pursuant to the  
2 requirements of Section 147(f) of the Code. The City acknowledges that the Authority  
3 has noticed a public hearing with respect to the issuance of the Bonds and the financing  
4 of the Project in a newspaper of general circulation in the County and that such hearing  
5 was conducted by the Authority. The City hereby consents, in accordance with any  
6 applicable California statutes, including the Act, to such action on the part of the Authority  
7 and the adoption of such hearing for purposes of the Code. Any Bonds issued under and  
8 pursuant to the terms of this resolution shall be obligations solely of the Authority, and the  
9 City shall not be obligated thereon or with respect thereto. The City hereby agrees and  
10 acknowledges that the terms, conditions and provisions of any Bonds issued pursuant to  
11 this resolution shall be determined in the sole and absolute discretion of the Authority,  
12 and that no further review or approval thereof shall be required by the City.

13 Section 4. The officers of the City are hereby authorized and directed,  
14 jointly and severally, to do any and all things and to execute and deliver any and all  
15 documents which they deem necessary or advisable in order to carry out, give effect to  
16 and comply with the terms and intent of this resolution and the financing transaction  
17 approved hereby.

18 Section 5. This resolution shall take effect immediately upon its adoption  
19 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
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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 \_\_\_\_\_, 2018 by the  
following vote:

Ayes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

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\_\_\_\_\_

City Clerk