

R-23**CITY OF LONG BEACH**

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

November 16, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Resolution Authorizing the Issuance, Sale and Delivery of Multifamily Mortgage Revenue Bonds for the Jamboree West Gateway Apartments in an Aggregate Principal Amount not to Exceed \$11,000,000 and Approving and Authorizing Other Related Documents and Actions (District 1)

DISCUSSION

On December 2, 2003, the City Council adopted a Resolution expressing the City's intent to issue Multifamily Mortgage Revenue Bonds in an amount not to exceed \$11,000,000 for the Jamboree West Gateway Apartments. Following the City Council's authorization, the City and the developer, Jamboree Housing Corporation, submitted an application to the California Debt Limit Allocation Committee (CDLAC) for an allocation of \$11,000,000 in tax-exempt Multifamily Mortgage Revenue Bonds to develop 64 units of family rental housing. On September 22, 2004, CDLAC awarded an allocation of Multifamily Mortgage Revenue Bonds in the amount of \$11,000,000 to the City of Long Beach for the project. A copy of the December 2, 2003, City Council letter providing more detail on the project is attached.

Pursuant to current City policy and state law, on November 16, 2004, a Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing was conducted in the office of the City Treasurer regarding the potential issuance by the City of \$11,000,000 in Multifamily Mortgage Revenue Bonds for the financing of the Jamboree West Gateway Apartments.

To proceed with the bond issuance and sale, it is necessary for the City Council to adopt the attached Resolution authorizing the issuance, sale and delivery of Multifamily Mortgage Revenue Bonds in an amount not to exceed \$11,000,000.

This letter was reviewed by Assistant City Attorney Michael J. Mais on November 9, 2004, and Budget Management Officer David Wodynski on November 4, 2004.

TIMING CONSIDERATIONS

City Council action is requested on November 16, 2004 to meet the projected bond closing date of December 15, 2004.

FISCAL IMPACT

There are no direct City costs, other than staff time, related to the recommended action. The developer will repay the Bond debt with revenue from project rents. There will be a one-time fee of \$50,000 paid by the developer to reimburse the City for its staff costs. This fee will be equally split between the Department of Community Development and the Department of Financial Management, resulting in a one-time revenue increase of \$25,000 to the Housing Development Fund (SR 135) and \$25,000 to the General Fund (GP) in Fiscal Year 2005. The Department of Community Development will also receive \$10,000 per year from the developer for the term of the bonds as an annual monitoring fee to be deposited into the Housing Development Fund.


IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Adopt the attached Resolution authorizing the issuance, sale and delivery of Multifamily Mortgage Revenue Bonds for the Jamboree West Gateway Apartments in an amount not to exceed \$11,000,000 and approving and authorizing other related documents, official actions and matters; and
2. Authorize the City Manager to execute all documents necessary to complete this transaction as indicated in the attached resolution.

Respectfully submitted,



MELANIE S. FALLON
DIRECTOR OF COMMUNITY DEVELOPMENT



MICHAEL A. KILLEBREW
ACTING DIRECTOR OF FINANCIAL MANAGEMENT

MSF/MAK/BS/JG/pcu

APPROVED:



GERALD R. MILLER
CITY MANAGER

Attachments:

- December 2, 2003 City Council letter and approved Resolution
- Resolution authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds

RESOLUTION NO. C-28483

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE PURPOSE OF FINANCING THE ACQUISITION AND CONSTRUCTION OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE KNOWN AS JAMBOREE WEST GATEWAY APARTMENTS, AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS

WHEREAS, pursuant to Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as amended (the "Act"), the City of Long Beach (the "City") is authorized to issue revenue bonds for the purpose of financing the acquisition, construction, rehabilitation, refinancing, or development of multifamily rental housing and for the provision of capital improvements in connection with and determined necessary to the multifamily rental housing; and

WHEREAS, Jamboree Housing Corporation (the "Corporation"), has requested that the City issue revenue bonds to finance the acquisition and construction by Jamboree West Gateway L.P., a California limited partnership (the "Borrower") of a proposed 64 unit multifamily rental housing facility to be located at 745 West Third Street in the City (the "Project"); and

WHEREAS, the City Council of the City (the "City Council") has determined to approve the issuance by the City of up to \$11,000,000 principal amount

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1 of the City of Long Beach Multifamily Housing Revenue Bonds (Jamboree West
2 Gateway Apartments) as provided below (the "Bonds") and the financing of a mortgage
3 loan to be made to the Borrower from the proceeds of the Bonds to be used to finance
4 the Project (the "Mortgage Loan"); and
5

6 WHEREAS, in accordance with an allocation granted by the California
7 Debt Limit Allocation Committee ("CDLAC") of bond authority for the Project on
8 September 22, 2004, the Bonds may bear interest that is excluded from gross income
9 for federal income tax purposes; and

10 WHEREAS, the issuance of the Bonds was preliminarily approved by the
11 City Council by a resolution adopted on December 2, 2003 (the "Prior Resolution"), after
12 publication of a notice of public hearing and the holding by the City Treasurer of the
13 public hearing as required by the Internal Revenue Code of 1986, as amended (the
14 "Code"); and
15

16 WHEREAS, the Bonds are expected to be issued after
17 December 2, 2004, and, under the Code, if the issuance of the Bonds occurs more than
18 one year after the holding of the public hearing, a new public hearing must be held with
19 respect to the Project; and
20

21 WHEREAS, on the date hereof, the acting City Treasurer has held a new
22 public hearing as required by the Code at which any interested party could be heard
23 regarding the location, ownership, construction, operation or financing of the Project;
24 and

25 WHEREAS, Washington Mutual Bank, FA, has expressed its intention to
26 purchase the Bonds, and the City Council finds that the public interest and necessity
27 require that the City at this time make arrangements for the sale of the Bonds; and
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WHEREAS, there have been prepared and have been placed on file with the City Attorney the following documents:

(1) the form of Indenture of Trust (the "Indenture"), by and between the City and Washington Mutual Bank, FA, as Bondowner Representative (the "Bondowner Representative"); and

(2) the form of Loan Agreement (the "Loan Agreement"), by and between the City and the Borrower; and

(3) the form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), by and between the City and the Borrower.

WHEREAS, it appears that each of the documents listed above is in appropriate form and is an appropriate document to be executed and delivered for the purposes intended; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds and the making of the Mortgage Loan as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

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

Section 1. Finding and Determination. It is hereby found and determined that it is necessary and desirable for the City to provide for the financing of the acquisition and construction of the Project through the issuance and sale of the Bonds in order to assist persons of very low income within the City of Long Beach in obtaining

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1 decent, safe and sanitary housing. The City Council hereby finds that the Prior
2 Resolution incorrectly stated in Section 3 thereof that the adoption of the Prior
3 Resolution was solely for the purpose of satisfying the requirements of CDLAC, when
4 the Prior Resolution was actually intended to express the City Council's intent to issue
5 the Bonds for the Project as contemplated by the Code, and the Prior Resolution is
6 hereby amended, nunc pro tunc, by deleting the first sentence of Section 3 thereof.
7

8 Sec. 2. Authorization of Bonds. For the purpose of financing the
9 acquisition and construction of the Project, the City hereby determines to issue the
10 Bonds in an aggregate principal amount not to exceed \$11,000,000. The Bonds shall
11 bear such rates of interest and shall mature on such dates as provided in the Indenture.
12 The Bonds shall be in substantially the form set forth in the Indenture, with such
13 appropriate variations, omissions, insertions and provisions as are required or permitted
14 by the Indenture. The Bonds shall be special, limited obligations of the City and shall
15 be payable as to principal and interest, and the obligations of the City under the
16 Indenture shall be paid and satisfied, solely from the revenues, receipts and other
17 moneys and assets pledged therefor under the Indenture. The Bonds shall in no way
18 be general obligations of the City.
19

20 Sec. 3. Execution, Delivery and Sale of the Bonds. The Bonds shall be
21 executed on behalf of the City by the manual or facsimile signature of the Mayor, City
22 Manager, Director of Financial Management or Treasurer, or any person serving as the
23 acting Director of Financial Management or acting Treasurer (each being a "Designated
24 Officer" and, collectively, the "Designated Officers"), and the official seal of the City, or a
25 facsimile thereof, shall be impressed or imprinted thereon and attested with the manual
26 or facsimile signature of the City Clerk or a Deputy City Clerk. The Bonds are hereby
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1 authorized to be sold to Washington Mutual Bank, FA, on the terms set forth in the
2 Indenture and the Loan Agreement.

3 Sec. 4. Approval of the Indenture. The Indenture, in the form on file in
4 the City Attorney's office, is hereby approved. The Designated Officers, each acting
5 along, are hereby authorized to execute and deliver the Indenture in such form,
6 together with such changes as may be approved by the Designated Officer executing
7 the same, upon consultation with the City Attorney and Bond Counsel, such execution
8 thereof to constitute conclusive evidence of the approval of all changes from the form of
9 the Indenture approved by this Resolution.
10

11 Sec. 5. Approval of Loan Agreement. The Loan Agreement, in the form
12 on file in the City Attorney's office, is hereby approved. The Designated Officers, each
13 acting along, are hereby authorized to execute and deliver the Loan Agreement in such
14 form, together with such changes as may be approved by the Designated Officer
15 executing the same, upon consultation with the City Attorney and Bond Counsel, such
16 execution thereof to constitute conclusive evidence of the approval of all changes from
17 the form of the Loan Agreement approved by this Resolution.
18

19 Sec. 6. Approval of Regulatory Agreement. The Regulatory Agreement,
20 in the form on file in the City Attorney's office, is hereby approved. The Designated
21 Officers, each acting alone, are hereby authorized to execute and deliver the
22 Regulatory Agreement in such form, together with such changes as may be approved
23 by the Designated Officer executing the same, upon consultation with the City Attorney
24 and Bond Counsel, such execution thereof to constitute conclusive evidence of the
25 approval of all changes from the form of the Regulatory Agreement approved by this
26 Resolution.
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1 Sec. 7. The Bonds, when executed, shall be delivered to the Bondowner
2 Representative for authentication. The Bondowner Representative is hereby requested
3 and directed to authenticate the Bonds by executing the Bondowner Representative's
4 certificate of authentication appearing thereon, and to deliver the Bonds, when duly
5 executed and authenticated, to Washington Mutual Bank, FA, in accordance with
6 written instructions executed and delivered on behalf of the City by a Designated
7 Officer, which any Designated officer, acting alone, is hereby authorized and directed to
8 execute and deliver to the Bondowner Representative. Such instructions shall provide
9 for the delivery of the Bonds to Washington Mutual Bank, FA in accordance with the
10 Indenture and the Loan Agreement, upon payment of the purchase price thereof.

11
12 Sec. 8. Bond Counsel. The law firm of Quint & Thimmig LLP is hereby
13 designated as Bond Counsel to the City for the Bonds. The City Attorney is hereby
14 authorized to execute an agreement with said firm for its services with respect to the
15 Bonds in a form acceptable to the City Attorney, provided that any and all
16 compensation of Bond Counsel is payable solely from the proceeds of the Bonds or
17 funds contributed by the Borrower.

18
19 Sec. 9. Actions Ratified and Authorized. All actions heretofore taken by
20 the officers and agents of the City with respect to the issuance and sale of the Bonds
21 are hereby approved, confirmed and ratified, and the Designated Officers are each
22 hereby authorized, for and in the name and on behalf of the City, to do any and all
23 things and take any and all actions and execute and deliver any and all certificates,
24 agreements and other documents, including but not limited to (a) a subordination and/o
25 intercreditor agreement (in a form acceptable to the City Attorney), and (b) those
26 certificates and other documents described in the Indenture or the Loan Agreement,
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1 which they, or any of them, may deem necessary or advisable in order to consummate
2 the lawful issuance and delivery of the Bonds and the making of the Mortgage Loan in
3 accordance with the Act and this Resolution.

4 Sec. 10. Further Consents, Approvals and Other Actions. All consents,
5 approvals, notices, orders, requests and other actions permitted or required by any of
6 the documents authorized by this Resolution or otherwise appropriate in the
7 administration of the Bonds and the lending program financed thereby, including
8 without limitation any of the foregoing which may be necessary or desirable in
9 connection with any amendment of such documents, any sale or transfer of the Project,
10 any substitution of security for the Bonds, or any redemption of the Bonds may be taken
11 or given by any of the Designated Officers, without further authorization by the City
12 Council, and the Designated Officers are hereby authorized and directed to give any
13 such consent, approval, notice, order or request and to take any such action which such
14 officer may deem necessary or desirable to further the purposes of this Resolution.
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17 Sec. 11. Effective Date. This Resolution shall take effect from and after
18 the date of its passage and adoption.

19 I hereby certify that the foregoing Resolution was adopted by the City

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1 Council of the City of Long Beach, at its meeting of November 16, 2004, by the
2 following vote:

3 Ayes: Councilmembers: Lowenthal, Baker, Colonna,
4 O'Donnell, Kell, Richardson,
5 Reyes Uranga, Gabelich, Lerch.
6

7
8 Noes: Councilmembers: None.
9

10 Absent: Councilmembers: None.
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14 Jerry G. Hansen
15 City Clerk
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22 CERTIFIED AS A TRUE AND CORRECT COPY
23 Jerry G. Hansen
24 CITY CLERK OF THE CITY OF LONG BEACH
DATE: NOV 30 2004

UP TO \$11,000,000
CITY OF LONG BEACH
MULTIFAMILY HOUSING REVENUE BONDS
(JAMBOREE WEST GATEWAY APARTMENTS), SERIES 2004B

CERTIFICATE REGARDING CITY RESOLUTION


The undersigned hereby states and certifies:

(i) that the undersigned is the duly elected, qualified and acting City Clerk of the City of Long Beach, a chartered city and municipal corporation, duly organized and existing under the Constitution and laws of the State of California (the "City"), and as such, is familiar with the facts herein certified and is authorized to certify the same; and

(ii) that attached hereto is a true, correct and complete copy of Resolution No. C-28483, entitled "A Resolution of the City Council of the City of Long Beach Authorizing the Issuance of Multifamily Housing Revenue Bonds for the Purpose of Financing the Acquisition and Construction of a Multifamily Rental Housing Project to be Known as Jamboree West Gateway Apartments, and Approving Other Related Documents and Actions," adopted by the City Council of the City on November 16, 2004 (the "Resolution"), which Resolution has not been amended, modified, supplemented, rescinded or repealed and is in full force and effect as of the date hereof.

Dated: December 13, 2004

CITY OF LONG BEACH

By  _____
Larry G. Herrera,
City Clerk



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

December 2, 2003

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Adoption of Resolution Authorizing the City's Intent to Issue Tax-Exempt Multifamily Housing Revenue Bonds in an Amount not to Exceed \$11 Million and Authorizing Other Related Actions (District 1)

DISCUSSION

The Long Beach Redevelopment Agency (RDA) is pursuing the development of the West Gateway project in the Downtown and Central Redevelopment Project Areas. The RDA has entered into Exclusive Negotiating Agreements with four developers for the development of various sites in the West Gateway area. Among the developers is Jamboree Housing Corp., a non-profit affordable housing developer that has been selected to develop an affordable workforce housing project on Site No. 1 of the West Gateway (Jamboree Housing Site). The RDA and the Long Beach Housing Development Company (LBHDC) are working jointly on the acquisition and development of the Jamboree Housing Site and have taken a number of actions.

In February 2003, the RDA considered and approved a series of recommendations. Among the recommendations, the RDA approved and directed staff to: (1) pursue the assemblage of Site No. 1 for the development of a 100 percent affordable housing development using housing set-aside funds; (2) prepare an exclusive negotiation agreement with Jamboree Housing Corp. for Site No. 1; and (3) undertake neighborhood stakeholder meetings for all of the West Gateway development.

Also in February 2003, the LBHDC authorized its President to negotiate the acquisition of Site No. 1 parcels, allocated funds for the assemblage of the site, and authorized its President to execute a Memorandum of Agreement with the RDA to facilitate the acquisition of Site No. 1. In June 2003, the LBHDC further authorized its President to enter into an Agreement to Negotiate Exclusively with the RDA and Jamboree Housing Corp. for the development of the Jamboree Housing Site.

HONORABLE MAYOR AND CITY COUNCIL
December 2, 2003
Page 2

Staff is currently working with Jamboree Housing Corp. on the particulars of the project, including the design, size and quantity of units, and development of a financing plan. Several financing scenarios that include low-income housing tax credits and Tax-Exempt Multifamily Mortgage Revenue Bonds are being considered. In the event that bonds are selected as the most feasible financing for the project, it is necessary for the City to indicate its intent to issue conduit bonds as early as possible to ensure that all eligible project costs, such as acquisition, relocation, legal, site preparation, construction, and financing costs, can be included in the future bond award. If ultimately issued, future conduit bonds will be serviced from the project's cash flow, with no liability to the City. City Council action at this point serves to facilitate the next steps in the process, and is not a final approval to sell bonds to finance the project. The authority to actually issue bonds will be requested at a future date.

Pursuant to current City policy and state law, on December 2, 2003, a Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing was conducted in the office of the City Treasurer regarding the potential issuance by the City of \$11 million in Tax-Exempt Multifamily Mortgage Revenue Bonds for the financing of the Jamboree Housing Project.

This letter was reviewed by Deputy City Attorney Everett L. Glenn on November 17, 2003, Budget Bureau Manager Michael Killebrew on November 21, 2003, and City Treasurer James Sadro on November 17, 2003.

TIMING CONSIDERATIONS

City Council action is requested on December 2, 2003, to ensure that all eligible project costs can be included in a future bond award.

FISCAL IMPACT

There are no direct City costs, other than staff time, related to the recommended action. If bonds are issued, the developer will repay the debt with revenue from project rents.

HONORABLE MAYOR AND CITY COUNCIL
December 2, 2003
Page 3

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Adopt the attached Resolution authorizing the City's intent to issue Tax-Exempt Multifamily Mortgage Revenue Bonds for the Jamboree Housing Project in an amount not to exceed \$11 million and authorizing other related actions approving and authorizing related documents, official actions and matters; and
2. Authorize the City Manager to execute all documents necessary to complete this transaction.

Respectfully submitted,


for MELANIE S. FALLON
DIRECTOR OF COMMUNITY DEVELOPMENT


ROBERT S. TORREZ
DIRECTOR OF FINANCIAL MANAGEMENT

MSF/BS/JG/pcu
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Attachment

APPROVED:


for GERALD R. MILLER
CITY MANAGER

RESOLUTION NO. C-28299

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH EXPRESSING THE CITY'S INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS FOR THE ACQUISITION AND CONSTRUCTION OF MULTIFAMILY RESIDENTIAL RENTAL APARTMENTS BY JAMBOREE HOUSING CORPORATION, AND APPROVING RELATED ACTIONS

WHEREAS, the City of Long Beach (the "City") is authorized by Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act"), to issue and sell revenue bonds for the purpose of providing financing for the acquisition and construction of multifamily rental housing facilities located within the City to be occupied in part by low income tenants; and

WHEREAS, Jamboree Housing Corporation (the "Developer") has requested the City to issue revenue bonds (the "Bonds") pursuant to the Act for the purpose of financing the acquisition and construction by the Developer of a proposed 65 unit multifamily residential rental housing project (the "Project") to be constructed on a site which is generally located on the north side of Third Street between Maine Avenue and Golden Avenue in the City, currently consisting of seven properties with the following street addresses: 715,721, 725,729,733 and 745 West Third Street, and 301-307 Maine Avenue; and

WHEREAS, it is intended that the interest on the Bonds be excluded from gross income for federal tax purposes; and

WHEREAS, the Bonds will be considered to be "qualified exempt facility bonds" under Section 142(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 147(f) of the Code requires that the "applicable elected

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1 representative" with respect to the City approve the issuance of the Bonds following a
2 public hearing on the Bonds, in order for the interest on the Bonds to be tax-exempt; and

3 WHEREAS, this City Council is the applicable elected representative of the
4 City for purposes of the Code; and

5 WHEREAS, a notice of said public hearing has been duly given as required
6 by the Code, and the City Treasurer has heretofore held such public hearing at which all
7 such interested persons were given an opportunity to be heard on all matters relative to the
8 location, operation and financing of the Project and the City's issuance of the Bonds
9 therefor, and a summary of any oral or written testimony received at the public hearing has
10 been presented to the City Council for its consideration; and

11 WHEREAS, the City Council now desires express its intent to issue the
12 Bonds and to direct the City's Director of Community Development to take all actions
13 necessary to apply for a private activity bond allocation for the Project from the California
14 Debt Limit Allocation Committee ("CDLAC").

15 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
16 follows:

17 Section 1. The City intends to issue the Bonds in a principal amount not to
18 exceed \$11,000,000 for the purpose of making a loan to the Owner to finance costs of the
19 acquisition and construction of the Project by Developer.

20 Sec. 2. The City Council directs the Director of Community
21 Development to take all actions necessary or desirable to obtain an allocation for the
22 issuance of private activity bonds for the Project from CDLAC in the aggregate amount of
23 not to exceed \$11,000,000 (the "Allocation") The Director of Community Development shall
24 take all actions required or desirable under the procedures of CDLAC and Chapter 11.8
25 of Division 1 of Title 2 (commencing with Section 8869.80) of the California Government
26 Code to apply for the Allocation from CDLAC. In accordance with the procedures of
27 CDLAC concerning a deposit, the City shall obtain the deposit required by CDLAC from
28 moneys made available by the Developer. The Director of Community Development is

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1 authorized to negotiate a Deposit Agreement between the City and the Developer to
2 provide for safekeeping of any such deposit.

3 Sec. 3. The adoption of this Resolution is solely for the purpose of
4 satisfying the requirements of CDLAC related to the Allocation and the public approval
5 requirement of the Code, and shall not be construed as for any other purpose. The City
6 has not fully reviewed or considered the financial feasibility of the Project or the expected
7 operation of the Project, and the adoption of this Resolution shall not obligate the City in
8 any manner with respect to the Bonds or the Project. Specifically, this Resolution shall not
9 obligate (i) the City to provide financing to the Developer for the acquisition or construction
10 of the Project or to issue the Bonds for purposes of such financing; or (ii) the City, or any
11 department of the City, to approve any application or request for, or take any other action
12 in connection with, any environmental, zoning, building or any other permit or other action
13 necessary for the acquisition, construction or operation of the Project.


14 Sec. 4. This resolution shall take effect immediately upon its adoption by the
15 City Council, and the City Clerk shall certify to the vote adopting this resolution.

16 I certify that this resolution was adopted by the City Council of the City of
17 Long Beach, California, at its meeting of December 2, 2003, by the following vote:

18 Ayes: Councilmembers: Lowenthal, Baker, Colonna, Kell,
19 Richardson, Reyes Uranga.
20
21

22 Noes: Councilmembers: None.
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24 Absent: Councilmembers: Carroll, Webb, Lerch.
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City Clerk

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RESOLUTION NO. RES-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH EXPRESSING THE CITY'S INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS FOR ADDITIONAL FINANCING FOR THE ACQUISITION AND CONSTRUCTION OF MULTIFAMILY RESIDENTIAL RENTAL APARTMENTS BY JAMBOREE WEST GATEWAY, L.P., AND APPROVING RELATED ACTIONS

WHEREAS, the City of Long Beach (the "City") is authorized by Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act"), to issue and sell revenue bonds for the purpose of providing financing for the acquisition and construction of multifamily rental housing facilities located within the City to be occupied in part by low income tenants; and

WHEREAS, on December 13, 2004, the City issued its up to \$11,000,000 City of Long Beach Multifamily Housing Revenue Bonds (Jamboree West Gateway Apartments), Series 2004B (the "2004 Bonds") pursuant to the Act for the purpose of financing the acquisition and construction by Jamboree West Gateway, L.P., a California limited partnership (the "Owner") of a 65 unit multifamily residential rental housing project (the "Project") to be constructed by the Owner on a site which is generally located on the north side of Third Street between Maine Avenue and Golden Avenue in the City, currently consisting of seven properties with the following street addresses: 715,721, 725,729,733 and 745 West Third Street, and 301-307 Maine

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1 Avenue; and

2 WHEREAS, construction of the Project was delayed due to site clearance
3 issues and construction costs have increased, and the Owner has now requested that
4 the City issue an approximately \$2,500,000 of revenue bonds (the "Bonds") to provide
5 additional financing for the Project; and
6

7 WHEREAS, it is intended that the interest on the Bonds be excluded from
8 gross income for federal tax purposes; and

9 WHEREAS, the Bonds will be considered to be "qualified exempt facility
10 bonds" under Section 142(a) of the Internal Revenue Code of 1986, as amended (the
11 "Code"), and Section 147(f) of the Code requires that the "applicable elected
12 representative" with respect to the City approve the issuance of the Bonds following a
13 public hearing on the Bonds, in order for the interest on the Bonds to be tax-exempt;
14 and
15

16 WHEREAS, this City Council is an applicable elected representative of the
17 City for purposes of the Code; and

18 WHEREAS, a notice of said public hearing has been duly given as
19 required by the Code, and the City Treasurer has heretofore held such public hearing at
20 which all such interested persons were given an opportunity to be heard on all matters
21 relative to the location, operation and financing of the Project and the City's issuance of
22 the Bonds therefor, and a summary of any oral or written testimony received at the
23 public hearing has been presented to the City Council for its consideration; and
24

25 WHEREAS, the City Council now desires to express its intent to issue the
26 Bonds and to direct the City's Director of Community Development to take all actions
27 necessary to apply for a private activity bond allocation for the Bonds from the
28

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1 California Debt Limit Allocation Committee ("CDLAC").

2 NOW, THEREFORE, the City Council of the City of Long Beach resolves
3 as follows:

4 Section 1. The City intends to issue the Bonds in a principal amount of
5 approximately \$2,500,000 for the purpose of making a loan to the Owner to finance
6 costs of the acquisition and construction by the Owner of the Project.
7

8 Sec. 2. The City Council directs the Director of Community Development
9 to take all actions necessary or desirable to obtain an allocation for the issuance of
10 private activity bonds for the Project from CDLAC in the amount of
11 approximately \$2,500,000 (the "Allocation"). The Director of Community Development
12 shall take all actions required or desirable under the procedures of CDLAC and
13 Chapter 11.8 of Division 1 of Title 2 (commencing with Section 8869.80) of the
14 California Government Code to apply for the Allocation from CDLAC. In accordance
15 with the procedures of CDLAC concerning a deposit, the City shall obtain the deposit
16 required by CDLAC from moneys made available by the Owner. The Director of
17 Community Development is authorized to negotiate a Deposit Agreement between the
18 City and the Developer or the Owner to provide for safekeeping of any such deposit.
19

20
21 Sec. 3. The adoption of this Resolution is for the purpose of satisfying the
22 requirements of CDLAC related to the Allocation and the public approval requirement of
23 the Code, and to indicate the City's intent to issue the Bonds to provide additional
24 financing for the Project. However, the adoption of this Resolution shall not obligate the
25 City to issue the Bonds on terms other than which are fully acceptable to the City in its
26 discretion. The issuance of the Bonds shall be subject to approval by a separate
27 resolution of the City Council, which resolution shall consider the approval by the City
28

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1 Council of the primary documents with respect to the Bonds to which the City will be a
2 party.

3 Sec. 4. This resolution shall take effect immediately upon its adoption by
4 the City Council, and the City Clerk shall certify to the vote adopting this resolution.
5

6 I certify that this resolution was adopted by the City Council of the City of
7 Long Beach, California, at its meeting of July 12, 2005, by the following vote:

8 Ayes: Councilmembers: _____
9 _____

10 _____

11 _____

12 _____

13 Noes: Councilmembers: _____

14 _____

15 Absent: Councilmembers: _____

16 _____

17 _____

18 _____

19 _____

20 _____

City Clerk

21 _____

22 _____

23 _____

24 _____

25 _____

26 _____

27 _____

28 _____

ELG:rjr 06/24/05(JAMBOREE) #05-02809
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