



Legislation Details (With Text)

File #: 17-0645 **Version:** 1 **Name:** FM - KHS TEFRA Hearing - Funding of Affordable Housing
Type: Resolution **Status:** Adopted
File created: 7/11/2017 **In control:** City Council
On agenda: 8/8/2017 **Final action:** 8/8/2017

Title: Recommendation to receive supporting documentation into the record regarding the Tax Equity and Fiscal Responsibility Act public hearing; and adopt resolution approving the issuance of the California Municipal Finance Authority Revenue Bonds Series 2017 to benefit the Retirement Housing Foundation, a California nonprofit public benefit corporation, to finance the rehabilitation of the Bixby Knolls Towers and Bixby Knolls Health Care and Rehabilitation Center, in an amount not to exceed \$37,000,000. (District 7)

Sponsors: Financial Management

Indexes:

Code sections:

Attachments: 1. 080817-R-35sr&att.pdf, 2. RES-17-0074.pdf

Date	Ver.	Action By	Action	Result
8/8/2017	1	City Council	approve recommendation and adopt	Pass

Recommendation to receive supporting documentation into the record regarding the Tax Equity and Fiscal Responsibility Act public hearing; and adopt resolution approving the issuance of the California Municipal Finance Authority Revenue Bonds Series 2017 to benefit the Retirement Housing Foundation, a California nonprofit public benefit corporation, to finance the rehabilitation of the Bixby Knolls Towers and Bixby Knolls Health Care and Rehabilitation Center, in an amount not to exceed \$37,000,000. (District 7)

The RHF was incorporated in 1961 as a non-profit management and development corporation. The RHF’s business activities include developing, operating, and maintaining housing and related facilities for senior adults, persons with disabilities, and low-income families. It also provides certain services in connection with the facilities such as nursing, rehabilitation, dietary, educational, and recreational services.

The RHF and its affiliates have requested the California Municipal Finance Authority (CMFA) issue bonds on its behalf, in an aggregate principal amount not to exceed \$37,000,000. The CMFA is a joint exercise of powers authority consisting of over 275 California cities, counties, and special districts. Its mission is to support economic development, job creation and social programs throughout the State of California, while giving back to California communities.

Affiliates of the RHF, collectively the borrowers, include: the Bixby Knolls Tower, Inc., Gold Country Health Center, Inc., Mayflower RHF Housing, Inc., Mayflower Gardens Health Facility, Inc., and Sun City RHF Housing, Inc., all of which are nonprofit public benefit corporations.

Bixby Knolls Tower, Inc., is located within the City's boundary, and owns and operates two mid-rise buildings, known as Bixby Knolls Towers and Bixby Knolls Health Care and Rehabilitation Center. Collectively, they consist of 168 residential apartments, 54 assisted living units, and 99 skilled nursing beds.

The proceeds of the Revenue Bonds Series 2017 (Bonds) will be loaned to RHF and its affiliates to 1) refinance the outstanding principal amount of the California Statewide Communities Development Authority Revenue Bonds (Retirement Housing Foundation Obligated Group), Series 2014A; 2) finance or reimburse the costs, not to exceed \$7,000,000 (approximately \$2 million allocated to Bixby Knolls Tower, Inc.), of constructing, renovating, and/or equipping long-term care facilities; 3) fund a debt service reserve fund to secure the Bonds; and, 4) pay certain expenses incurred in connection with the issuance of the Bonds.

The Internal Revenue Code requires that CMFA seek approval from the City Council for bonds to be issued. As required by Federal tax law, a TEFRA public hearing notification was published in the *Press-Telegram* on July 10, 2017. The TEFRA hearing was held on July 25, 2017 at 9:00 a.m. The public hearing was conducted by the City Treasurer in the sixth floor conference room of City Hall. No public comment was presented at the hearing.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on July 11, 2017 and by Assistant Finance Director Lea Eriksen on July 14, 2017.

City Council action is requested on August 8, 2017, to facilitate CMFA's forthcoming debt issuance.

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.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY REVENUE BONDS (RETIREMENT HOUSING FOUNDATION OBLIGATED GROUP) SERIES 2017 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$37,000,000; APPROVAL OF THE TEFRA HEARING RELATED TO THE ISSUANCE OF THE BONDS; AND CERTAIN OTHER MATTERS RELATING THERETO

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER