



Legislation Text

File #: 18-0523, Version: 1

WITHDRAWN

~~Recommendation to receive supporting documentation into the record regarding the Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing; and, adopt 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)~~

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.

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.

City Council action is requested on June 19, 2018, to facilitate HACOLA'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. This project will provide continued support to our local economy by providing up to 85 jobs for a ten-month period.

Approve recommendation.

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LINDA F. TATUM, FAICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER