



Legislation Text

File #: 18-0799, **Version:** 1

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 housing revenue bonds by the California Municipal Finance Authority (CMFA) to benefit AMCAL Las Ventanas Fund, L.P., for the development of Las Ventanas Apartments, at 1795 Long Beach Boulevard, in an amount not to exceed \$45,000,000. (District 1)

AMCAL Las Ventanas Fund, LP., an affiliate of AMCAL Multi-Housing, Inc., and its affiliate AMCAL Enterprises, Inc. (AMCAL), has requested that California Municipal Finance Authority (CMFA) issue bonds on its behalf, in an aggregate amount not to exceed \$45,000,000, for the development of a 102-unit affordable multifamily rental housing development known as Las Ventanas Apartments, at 1795 Long Beach Boulevard (Project).

AMCAL has 22 years of experience developing multifamily rental housing in California, and has developed 79 projects with over 7,200 units. The portfolio includes 9 tax-exempt bond financed projects with over 700 affordable housing units. In the past 5 years, AMCAL has completed 9 projects with 640 units, 2 of which were financed by tax-exempt bonds and resulted in a total of 109 units. 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 multifamily housing revenue bonds, the proceeds of which will be loaned to the partnership formed by AMCAL, to fund the Project. The City, through The Long Beach Community Investment Company, provided a \$3,750,000 loan for the acquisition of the site. The Project includes the development of a 102-unit apartment building with approximately 4,000 square feet of ground floor retail space. The units will be affordable to households earning between 30 percent and 60 percent of area median income, with 18 units reserved for residents who are homeless or are at risk of being homeless. The Project will also include an on-site resident manager, social and case management services, laundry facilities, a community room, a tot lot, and bicycle storage. Revenues from the Project will be the source of funds to repay bonds.

The Internal Revenue Code requires that CMFA seek approval from the City Council 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 Press-Telegram on August 14, 2018. The TEFRA hearing was held on August 29, 2018 at 9:00 a.m. The public hearing was conducted by the City Treasurer's Office in the sixth-floor large 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 August 27, 2018 and by Budget Management Officer Rhutu Amin Gharib on August 17, 2018.

City Council action is requested on September 11, 2018, to facilitate CMFA's forthcoming debt issuance.

There is no fiscal impact associated with this recommendation. 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 three jobs for a ten-month period.

Approve recommendation.

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

LINDA F. TATUM
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER