



Legislation Text

File #: 15-0257, **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 revenue bonds by the California Statewide Communities Development Authority (CSCDA), to benefit Brethren Manor Senior Care, L.P., or its affiliates, Brethren Manor Apartments, in an amount not to exceed \$25,000,000. (District 7)

Brethren Manor Senior Care, L.P., has requested the California Statewide Communities Development Authority (CSCDA) to issue bonds on its behalf, in an aggregate amount not to exceed \$25,000,000. The CSCDA is a joint exercise of powers authority consisting of over 500 California cities, counties and special districts, including the City.

The CSCDA will issue tax-exempt debt to help finance the acquisition and rehabilitation of an apartment building located at 3333 Pacific Place, which is referred to as Brethren Manor Apartments (BMA). The BMA is intended housing for very low-income senior residents and includes 296 apartment units. The rehabilitation of the property will include modernization of all common areas, replacement of major systems, including an elevator, HVAC, windows, electrical, lighting, upgrades to fire, life and safety, and complete refurbishment of the individual units. The rehabilitation will surpass HUD's standard of substantial rehab.

The project is being financed with tax-exempt bond proceeds, low-income housing tax credits, and developer equity. The expected bond issuance date is June 3, 2015.

The Internal Revenue Service Code requires that CSCDA seek debt-issuance approval from the City Council of the bonds issued, a portion of which will benefit facilities within the City, without taking a position on the project itself. A TEFRA public hearing notification was published in the Long Beach Press-Telegram on February 16, 2015. The TEFRA hearing was held on March 2, 2015 at 9:00 am. The public hearing, required by Federal tax law regulations, was conducted by the City Treasurer in the sixth floor conference room at City Hall. No public comment was received.

This matter was reviewed by City Attorney Richard Anthony on March 3, 2015 and Budget Management Officer Victoria Bell on March 6, 2015.

City Council action is requested on March 24, 2015 to facilitate CSCDA'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 interest or taxing authority was pledged in

support of this financing. The project is expected to provide 72 jobs during the nine-month rehabilitation period.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FOR THE PURPOSE OF FINANCING THE ACQUISITION AND REHABILITATION OF A MULTIFAMILY RENTAL HOUSING FACILITY KNOWN AS BRETHREN MANOR

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER