



Legislation Text

File #: 16-0084, **Version:** 1

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 multi-family housing revenue bonds by the California Municipal Finance Authority, to benefit a partnership to be formed by Mercy Housing California, a nonprofit corporation, in an amount not to exceed \$40,000,000. (District 6)

The mission of Mercy Housing California (Mercy), the largest regional division of Mercy Housing, Inc., a national nonprofit corporation, is to promote affordable housing and supportive programs to improve the economic status of residents, transform neighborhoods and stabilize lives. Mercy serves low- and very low-income working families, seniors and individuals across 36 California counties, with developments of 10,942 affordable homes, including 7,940 in rental and 3,002 in homeownership. Mercy has requested that CMFA issue bonds on its behalf, in an aggregate amount not to exceed \$40,000,000. The CMFA is a joint exercise of powers authority, consisting of over 200 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 debt, the proceeds of which will be loaned to a partnership to be formed by Mercy, for the purpose of financing the acquisition and rehabilitation of Saint Mary Tower Apartments, an existing 148 unit multifamily residential building located at 1120 Atlantic Avenue (Project). The Project, which was originally constructed in 1986, will be rehabilitated to improve energy and water efficiency, common area amenities, resident service facilities and interior units. Rental occupancy will be restricted to households with incomes no greater than 60 percent of the area median income. This tax-exempt financing will result in the preservation of 148 units and will extend the affordability of the Project for 55 years. Revenues from the Project to be financed will be the source of funds to repay the tax-exempt debt.

The Internal Revenue Code requires that CMFA seek City Council approval of the debt-issuance, a portion of which will benefit facilities within the City. A TEFRA public hearing notification was published in the Long Beach Press-Telegram on January 11, 2016. The TEFRA hearing was held on January 26, 2016, at 9:00 a.m. The public hearing, as 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 presented at the hearing.

This matter was reviewed by Deputy City Attorney Richard Anthony on January 11, 2016 and by Budget Management Officer Victoria Bell on January 12, 2016.

City Council action is requested on February 2, 2016, 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 interest or taxing authority is pledged in support of this financing. The Project will provide continued support to our local economy by providing up to 70 jobs during the 12-month rehabilitation phase.

Approve recommendation.

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JOHN GROSS
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APPROVED:

PATRICK H. WEST
CITY MANAGER