

# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

# R-20

333 West Ocean Boulevard 6<sup>th</sup> Floor • Long Beach, CA 90802 • (562) 570-6845 • Fax (562) 570-5836

August 6, 2013

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Receive supporting documentation into the record regarding the Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing; and adopt the attached Resolution approving the issuance of revenue bonds by the California Municipal Finance Authority (CMFA) to benefit Southern California Presbyterian Homes, Covenant Manor Multifamily Housing, in an amount not to exceed \$15,000,000. (District 1)

## DISCUSSION

Southern California Presbyterian Homes, which is doing business as the be.group, is one of the country's largest nonprofit providers of senior living communities and has requested the CMFA to issue bonds on its behalf in an aggregate amount not to exceed \$15,000,000. The CMFA is a joint exercise of powers authority, consisting of over 175 California cities, counties and special districts, whose mission is to support economic development, job creation and social programs throughout the State of California while giving back to California communities.

The CMFA will issue tax-exempt debt, which will be loaned to Covenant Manor, LP, to finance the acquisition and rehabilitation of a 100-unit multifamily rental senior housing facility located at 600 E. 4th Street to be known as the Covenant Manor.

The Internal Revenue Code requires that CMFA seek approval from the City Council in order for the bonds to be issued which will benefit facilities within the City. A TEFRA public hearing notification was published in the Press-Telegram on June 26, 2013. The TEFRA hearing was held on July 11, 2013 at 1:00 p.m. The public hearing, required by Federal tax law regulations, 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 Anthony on June 20, 2013 and by Budget Management Officer Victoria Bell on June 24, 2013.

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TIMING CONSIDERATIONS

City Council action is requested on August 6, 2013 to facilitate CMFA's forthcoming debt issuance.

FISCAL IMPACT

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. This project will provide up to 150 jobs during rehabilitation phase of the project.

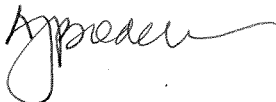
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

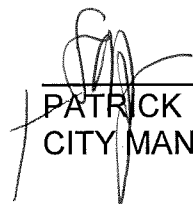


AMY J. BODEK  
DIRECTOR OF DEVELOPMENT SERVICES

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K:\EXEC\COUNCIL LETTERS\TREASURY\08-06-13 ccl - CMFA COVENANT MANOR TEFRA.DOC

ATTACHMENT – RESOLUTION: CMFA MULTIFAMILY HOUSING

APPROVED:



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PATRICK H. WEST  
CITY MANAGER

1 RESOLUTION NO.  
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH APPROVING THE EXECUTION  
5 AND DELIVERY OF MULTIFAMILY HOUSING REVENUE  
6 OBLIGATIONS BY THE CALIFORNIA MUNICIPAL FINANCE  
7 AUTHORITY FOR THE PURPOSE OF FINANCING THE  
8 ACQUISITION AND REHABILITATION OF MULTIFAMILY  
9 RENTAL HOUSING FACILITIES KNOWN AS COVENANT  
10 MANOR  
11

12 WHEREAS, the California Municipal Finance Authority (the "Authority") is  
13 authorized pursuant to the provisions of California Government Code §§ 6500, et seq.  
14 and the terms of a Joint Exercise of Powers Agreement, dated January 1, 2004 (the  
15 "Agreement"), among certain local agencies throughout the State of California, including  
16 the City of Long Beach (the "City"), to execute and deliver revenue obligations in  
17 accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety  
18 Code for the purpose of financing or refinancing the acquisition and rehabilitation of  
19 multifamily rental housing projects; and

20 WHEREAS, Southern California Presbyterian Homes has requested that  
21 the Authority execute and deliver revenue obligations in one or more series in a principal  
22 amount not to exceed \$15,000,000 (the "Obligations") for the purpose of making a loan to  
23 Covenant Manor, LP, a California limited partnership, or such other limited partnership or  
24 limited liability company established by Southern California Presbyterian Homes (the  
25 "Borrower") to enable the Borrower to finance the costs of the acquisition and  
26 rehabilitation of a 100-unit multifamily rental senior housing facility located at 600 E. 4th  
27 Street in the City, and referred to as the "Project" in this Resolution; and

28 WHEREAS, the City is a member of the Authority; and

1           WHEREAS, in order for the interest on the Obligations to be tax-exempt,  
2 Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires  
3 that an "applicable elected representative" with respect to the City approve the execution  
4 and delivery of the Obligations by the Authority following the conduct of a public hearing  
5 regarding the execution and delivery of the Obligations and the financing of the Project;  
6 and

7           WHEREAS, the Authority has determined that the City Treasurer is an  
8 acceptable party to hold the public hearing and the City Council is an "applicable elected  
9 representative" for purposes of approving the execution and delivery of the Obligations by  
10 the Authority; and

11           WHEREAS, notice of a public hearing for the proposed financing has been  
12 duly given as required by the Code, and on July 11, 2013 the City Treasurer held the  
13 public hearing at which all interested persons were given an opportunity to be heard on  
14 all matters relative to the financing of the Project and the Authority's execution and  
15 delivery of the Obligations therefore, and a summary of any oral or written testimony  
16 received at the new public hearing has been presented to the City Council for its  
17 consideration; and

18           WHEREAS, it is in the public interest and for the public benefit that the City  
19 Council approve the execution and delivery of the Obligations by the Authority for the  
20 aforesaid purposes;

21           NOW, THEREFORE, the City Council of the City of Long Beach resolves as  
22 follows:

23           Section 1.   The City Council hereby approves the execution and delivery  
24 of the Obligations by the Authority for the purpose of providing funds to make a loan to  
25 the Borrower to enable the Borrower to finance the Project.

26           Section 2.   The execution and delivery of the Obligations shall be subject  
27 to approval of the Authority of all financing documents relating thereto to which the  
28 Authority is a party. The City shall have no responsibility or liability whatsoever with

1 respect to repayment or administration of the Obligations.

2           Section 3. The adoption of this Resolution shall not obligate the City or  
3 any department thereof to (a) provide any financing to acquire or rehabilitate the Project;  
4 (b) approve any application or request for or take any other action in connection with any  
5 planning approval, permit or other action necessary for the acquisition, rehabilitation or  
6 operation of the Project; (c) make any contribution or advance any funds whatsoever to  
7 the Authority; or (d) take any further action with respect to the Authority or its membership  
8 therein.

9           Section 4. The City Manager, the City Treasurer, the City Clerk and all  
10 other proper officers and officials of the City are hereby authorized and directed to  
11 execute such other agreements, documents and certificates, and to perform such other  
12 acts and deeds, as may be necessary or convenient to effect the purposes of this  
13 Resolution.

14           Section 5. This resolution shall take effect immediately upon its adoption  
15 by the City Council, and the City Clerk shall certify to the vote adopting this resolution.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2013 by the following vote:

Ayes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
City Clerk

OFFICE OF THE CITY ATTORNEY  
ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664