



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-21

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

November 8, 2011

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 Abode Communities, Evergreen Apartments Multifamily Housing, in an amount not to exceed \$14,000,000. (Districts 4 and 9)

DISCUSSION

Abode Communities, founded as Los Angeles Community Design Center in 1968 to build sustainable, multi-family affordable housing to address the needs of Southern California's large workforce, low-income families, seniors and individuals with special needs, has requested the CMFA to issue bonds on its behalf in an aggregate amount not to exceed \$14,000,000. The CMFA is a joint exercise of powers authority, consisting of over 125 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 Abode Communities, to finance the acquisition and rehabilitation of 81 units of multifamily rental housing located on three sites in the City of Long Beach, including 1823 E. 68th Street (36 units), 1801 E. 68th Street (26 units) and 1528 N. Freeman Avenue (19 units) to be known as the Evergreen Apartments.

The original TEFRA hearing was held on October 5, 2010 and City Council originally adopted a Resolution approving the issuance of revenue bonds by CMFA for this project on November 9, 2010. The project was delayed due to a restructuring of the project financing. It is expected that these bonds will be issued before the end of 2011. Under applicable Federal tax law, the public hearing must be held no earlier than one year from the date of issuance of the bonds, and because the bonds were not issued before October 5th, a new public hearing was needed for the bonds to be tax-exempt.

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 September 26, 2011. The second TEFRA hearing was held on October 17, 2011 at 11:00 a.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 Chief Assistant City Attorney Heather A. Mahood on October 17, 2011 and Budget Management Officer Victoria Bell on October 20, 2011.

TIMING CONSIDERATIONS

City Council action is requested on November 8, 2011 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 125 jobs during the rehabilitation phase of the project.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,




JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT



AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:



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 ISSUANCE OF
5 MULTIFAMILY HOUSING REVENUE BONDS BY THE
6 CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR
7 THE PURPOSE OF FINANCING THE ACQUISITION AND
8 REHABILITATION OF MULTIFAMILY RENTAL HOUSING
9 FACILITIES KNOWN AS EVERGREEN APARTMENTS
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11 WHEREAS, the California Municipal Finance Authority (the "Authority") is
12 authorized pursuant to the provisions of California Government Code §§ 6500, et seq.
13 and the terms of a Joint Exercise of Powers Agreement, dated January 1, 2004 (the
14 "Agreement"), among certain local agencies throughout the State of California, including
15 the City of Long Beach (the "City"), to issue revenue bonds in accordance with Chapter 7
16 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of
17 financing or refinancing the acquisition and rehabilitation of multifamily rental housing
18 projects; and

19 WHEREAS, Abode Communities ("Abode") has requested that the Authority
20 issue and sell revenue bonds in one or more series in a principal amount not to exceed
21 \$14,000,000 (the "Bonds") for the purpose of making a loan to Evergreen Apartments,
22 LP, a California limited partnership (the "Borrower") to enable the Borrower to finance the
23 costs of the acquisition and rehabilitation of 81 units of multifamily rental housing located
24 on three sites in the City of Long Beach (the "City"), including 1823 E 68th Street (36
25 units), 1801 E 68th Street (26 units) and 1528 N Freeman Avenue (19 units), and
26 referred to collectively as the "Project" in this Resolution; and

27 WHEREAS, in order for the interest on the Bonds to be tax-exempt, Section
28 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires that an

1 “applicable elected representative” with respect to the Authority approve the issuance of
2 the Bonds by the Authority following the conduct of a public hearing regarding the
3 issuance of the Bonds and the financing of the Project; and

4 WHEREAS, the Authority has determined that the City Treasurer is an
5 acceptable party to hold the public hearing and the City Council is an “applicable elected
6 representative” for purposes of approving the issuance of the Bonds by the Authority; and

7 WHEREAS, on October 5, 2010, the City Treasurer conducted a public
8 hearing on the issuance of the Bonds by the Authority to finance the Project, and on
9 November 9, 2010, the City Council adopted Resolution No. RES-10-0137 approving the
10 issuance of the Bonds by the Authority to finance the Project; and

11 WHEREAS, the Code requires that the Bonds be issued within one year of
12 the date of the public hearing; and

13 WHEREAS, for reasons beyond the control of the Borrower, the Bond issue
14 has been delayed; and

15 WHEREAS, notice of a new public hearing for the proposed financing has
16 been duly given as required by the Code, and on October 17, 2011 the City Treasurer
17 held the new public hearing at which all interested persons were given an opportunity to
18 be heard on all matters relative to the financing of the Project and the Authority’s
19 issuance of the Bonds therefore, and a summary of any oral or written testimony received
20 at the new public hearing has been presented to the City Council for its consideration;
21 and

22 WHEREAS, it is in the public interest and for the public benefit that the City
23 Council once again approve the issuance of the Bonds by the Authority for the aforesaid
24 purposes;

25 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
26 follows:

27 Section 1. The City Council hereby approves the issuance of the Bonds
28 by the Authority for the purpose of providing funds to make a loan to the Borrower to

1 enable the Borrower to finance the Project.

2 Section 2. The issuance of the Bonds shall be subject to approval of the
3 Authority of all financing documents relating thereto to which the Authority is a party. The
4 City shall have no responsibility or liability whatsoever with respect to repayment or
5 administration of the Bonds.

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

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

18 Section 5. This resolution shall take effect immediately upon its adoption
19 by the City Council, and the City Clerk shall certify 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 November 8, 2011, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
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