



# CITY OF LONG BEACH

# R-25

DEPARTMENT OF FINANCIAL MANAGEMENT

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

April 20, 2010

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 Statewide Community Development Authority (CSCDA) to benefit New Hope Home, L.P., in an amount not to exceed \$10,000,000. (District 6)

## DISCUSSION

New Hope Home, L.P., a California limited partnership and division of Barker Management, Incorporated (BMI), has requested the CSCDA issue bonds on its behalf in an aggregate amount not to exceed \$10,000,000 to finance the acquisition and rehabilitation of New Hope Home, L.P., located at 1150 New York Street, Long Beach, CA.

CSCDA is a joint powers authority consisting of over 500 California cities, counties and special districts, including the City of Long Beach. The CSCDA will issue tax-exempt debt in an amount not to exceed \$10,000,000 to New Hope Home, L.P., which is an existing 140-unit affordable senior rental housing complex. Although the New Hope Home, L.P., is in relatively good physical condition, many areas need renovation and upgrading to prevent further deterioration.

BMI was formed 27 years ago with the concept of providing quality property management services to the affordable housing market. BMI began by managing Federally-assisted housing and has expanded over the years to include conventional housing and commercial property developments. Its specialty, however, continues to be the management of affordable housing.

The City Council originally adopted a resolution approving the issuance of revenue bonds by CSCDA for this project on August 19, 2008. BMI returned to the City Council on November 10, 2009 to request adoption of a resolution approving the issuance of revenue bonds by CSCDA in the amount of \$9,000,000 because previous allocations had to be returned as a result of the downturn in the financial markets. BMI is now requesting that CSCDA issue an additional \$1,000,000 in bond authority, for a total of \$10,000,000 in bonds, to cover an increase in costs to the project, including the installation of a fire sprinkler system.

The Internal Revenue Service (IRS) Code requires that CSCDA seek approval from the City Council of the bonds issued, a portion of which will benefit facilities within the City. A TEFRA public hearing notification was published in the Press-Telegram on March 9, 2010. The TEFRA hearing was held on March 23, 2010 at 9:00 a.m. 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 presented.

This matter was reviewed by Assistant City Attorney Heather A. Mahood on March 29, 2010 and Budget Management Officer Victoria Bell on March 30, 2010.

TIMING CONSIDERATIONS

City Council action is requested on April 20, 2010 to facilitate CSCDA'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.

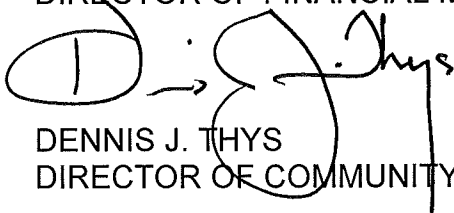
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL  
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



DENNIS J. THYS  
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:

LAF:DN:EF:mrn  
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ATTACHMENT - CSCDA NEW HOPE HOME RESOLUTION

  
\_\_\_\_\_  
PATRICK H. WEST  
CITY MANAGER

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

1 RESOLUTION NO.

2  
3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH APPROVING THE ISSUANCE BY  
5 THE CALIFORNIA STATEWIDE COMMUNITIES  
6 DEVELOPMENT AUTHORITY OF MULTIFAMILY  
7 HOUSING REVENUE BONDS FOR NEW HOPE HOME  
8

9 WHEREAS, the California Statewide Communities Development Authority  
10 (the "Authority") is authorized pursuant to the provisions of California Government Code  
11 Section 6500 et seq. and the terms of an Amended and Restated Joint Exercise of  
12 Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local  
13 agencies throughout the State of California, including the City of Long Beach (the "City"),  
14 to issue revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of the  
15 California Health and Safety Code for the purpose of financing multifamily rental housing  
16 projects; and

17 WHEREAS, New Hope Home, L.P., a California limited partnership or  
18 related entities, has requested that the Authority adopt a plan of financing providing for  
19 the issuance of multifamily housing revenue bonds (the "Bonds") in one or more series  
20 issued from time to time, including bonds issued to refund such revenue bonds in one or  
21 more series from time to time, and at no time to exceed \$10,000,000 in outstanding  
22 aggregate principal amount, to finance the acquisition and rehabilitation of a 139-unit  
23 senior multifamily rental housing project located at 1150 New York Street, Long Beach,  
24 California and generally known as New Hope Home (the "Project"); and

25 WHEREAS, the Bonds or a portion thereof will be "private activity bonds"  
26 for purposes of the Internal Revenue Code of 1986 (the "Code"); and

27 WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance,  
28 private activity bonds are required to be approved by the "applicable elected

1 representative” of the governmental units on whose behalf such bonds are expected to  
2 be issued and by a governmental unit having jurisdiction over the entire area in which any  
3 facility financed by such bonds is to be located, after a public hearing held following  
4 reasonable public notice; and

5 WHEREAS, the members of this City Council (this “City Council”) are the  
6 applicable elected representatives of the City; and

7 WHEREAS, there has been published, at least 14 days prior to the date  
8 hereof, in a newspaper of general circulation within the City, a notice that a public hearing  
9 regarding the Bonds would be held on a date specified in such notice; and

10 WHEREAS, such public hearing was conducted on such date, at which time  
11 an opportunity was provided to interested parties to present arguments both for and  
12 against the issuance of the Bonds; and

13 WHEREAS, the Authority is also requesting that the City Council approve  
14 the issuance of any refunding bonds hereafter issued by the Authority for the purpose of  
15 refinancing the Bonds which financed the Project (the “Refunding Bonds”), but only in  
16 such cases where federal tax laws would not require additional consideration or approval  
17 by the City Council; and

18 WHEREAS, it is intended that this resolution shall constitute the approval of  
19 the issuance of the Bonds required by Section 147(f) of the Code and Section 9 of the  
20 Agreement;

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

23 Section 1. The above recitals are true and correct.

24 Section 2. The City Council hereby approves the issuance of the Bonds  
25 and the Refunding Bonds by the Authority. It is the purpose and intent of the City Council  
26 that this resolution constitute approval of the Bonds for the purposes of (a) Section 147(f)  
27 of the Code and (b) Section 9 of the Agreement.

28 Section 3. The officers of the City are hereby authorized and directed,

1 jointly and severally, to do any and all things and to execute and deliver any and all  
2 documents that they deem necessary or advisable in order to carry out, give effect to and  
3 comply with the terms and intent of this resolution and the financing approved hereby.

4 Section 4. The City Clerk shall forward a certified copy of this Resolution  
5 and a copy of the affidavit of publication of the hearing notice to:

6 Justin Cooper, Esq.  
7 Orrick, Herrington & Sutcliffe LLP  
8 405 Howard Street  
9 San Francisco, California 94105

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

12 I hereby certify that the foregoing resolution was adopted by the City  
13 Council of the City of Long Beach at its meeting of March 23, 2010 by the following vote:

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

15 \_\_\_\_\_

16 \_\_\_\_\_

17 \_\_\_\_\_

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

19 \_\_\_\_\_

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

21 \_\_\_\_\_

22 \_\_\_\_\_

23  
24 City Clerk

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