



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-16

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

August 16, 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 Statewide Community Development Authority (CSCDA) to benefit Hunt Capital Partners, LLC, or its affiliates, in an amount not to exceed \$7,500,000. (District 9)

DISCUSSION

Hunt Capital Partners, LLC, Western Community Housing, Inc., Davila Properties, LLC, and Ashwood Construction, Inc., formed a limited partnership and have requested the CSCDA to issue bonds on its behalf in an aggregate amount not to exceed \$7,500,000. The CSCDA is a joint exercise of 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 to finance the acquisition and rehabilitation of an apartment building located at 6301 Atlantic Avenue, which is referred to as the Belwood Arms Apartments (BAA). The BAA building is intended for low- and very low-income residents and includes 34 apartment units. The development will replace kitchens and bathrooms in all the units; replace floor coverings, appliances, and lighting; upgrade the roof-mounted solar and auxiliary hot water systems; upgrade plumbing and electrical systems; replace the roof; install new energy efficient windows; and provide extensive exterior improvements, including new siding, architectural treatments, landscaping and lighting. The building does not and will not include a community room. However, there is funding included in the project's budget for a social services coordinator, and it is anticipated that Western Community Housing will coordinate with existing service providers throughout the City to provide services to the residents.

The Internal Revenue Service 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 Long Beach Press-Telegram on June 30, 2011. The TEFRA hearing was held on July 14, 2011 at 1:45 pm. 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.

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This matter was reviewed by Assistant City Attorney Heather A. Mahood on July 12, 2011 and Budget Management Officer Victoria Bell on July 8, 2011.

TIMING CONSIDERATIONS

City Council action is requested on August 16, 2011 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. This project will provide up to 150 jobs during construction of the project.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

AB:JG:EF:mrn
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ATTACHMENT – CSCDA BELWOOD APARTMENT RESOLUTION

APPROVED:



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

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH APPROVING THE ISSUANCE BY
THE CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY OF MULTIFAMILY
HOUSING REVENUE BONDS FOR THE BELWOOD ARMS
APARTMENTS PROJECT

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

WHEREAS, a partnership to be formed by Hunt Capital Partners LLC, a
limited partnership or related entities, has requested that the Authority adopt a plan of
financing providing for the issuance of multifamily housing revenue bonds (the "Bonds")
in one or more series issued from time to time, including bonds issued to refund such
revenue bonds in one or more series from time to time, and at no time to exceed
\$7,500,000 in outstanding aggregate principal amount, to finance the acquisition and
rehabilitation of a 34-unit multifamily rental housing project located at 6301 Atlantic Blvd.
Long Beach, California, generally known as Belwood Arms Apartments Project (the
"Project") and operated by Barker Management Inc.; and

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

1 WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance,
2 private activity bonds are required to be approved by the “applicable elected
3 representative” of the governmental units on whose behalf such bonds are expected to
4 be issued and by a governmental unit having jurisdiction over the entire area in which any
5 facility financed by such bonds is to be located, after a public hearing held following
6 reasonable public notice; and

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

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

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

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

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

23 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
24 follows:

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

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

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

1 of the Code and (b) Section 9 of the Agreement.

2 Section 3. The officers of the City are hereby authorized and directed,
3 jointly and severally, to do any and all things and to execute and deliver any and all
4 documents that they deem necessary or advisable in order to carry out, give effect to and
5 comply with the terms and intent of this resolution and the financing approved hereby.

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

8 Justin Cooper, Esq.
9 Orrick, Herrington & Sutcliffe LLP
10 405 Howard Street
11 San Francisco, California 94105

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

14 I hereby certify that the foregoing resolution was adopted by the City
15 Council of the City of Long Beach at its meeting of _____, 2011, by the
16 following vote:

17 Ayes: Councilmembers: _____

18 _____

19 _____

20 _____

21 Noes: Councilmembers: _____

22 _____

23 Absent: Councilmembers: _____

24 _____

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27 _____
City Clerk

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