

CITY OF LONG BEACH

R-20

DEPARTMENT OF FINANCIAL MANAGEMENT

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

August 10, 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 Long Beach Senior Artist Colony, LP, in an amount not to exceed \$30,000,000. (District 1)

DISCUSSION

Long Beach Senior Artist Colony, LP, a California limited partnership formed by Meta Housing Corporation (Meta), has requested the CSCDA to issue bonds on its behalf in an aggregate amount not to exceed \$30,000,000. 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, which will be loaned to Long Beach Senior Artist Colony, LP, to finance the construction of a new affordable senior rental housing development at 1235 Long Beach Boulevard, which is referred to as the Senior Artist Colony (SAC). The SAC building is intended for very low-, and low-income active seniors age 55 and above, and includes 147 apartment units and amenity space that is designed to provide opportunities for lifelong learning for the residents. The development will also include a pool and spa, community room, library, theater, game room, art studios, classrooms and a gym.

The SAC is one component of a mixed-use and mixed-income two-phased development that includes 186 senior rental units in two buildings over parking (Phase I), and 170 mixed-income condominiums over parking and retail space (Phase II). The second building in Phase I includes 39 affordable senior rental units over parking, with shared use of the SAC amenities previously mentioned. The whole project was approved by the Planning Commission on January 15, 2009, and is fully entitled.

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Meta and the City of Long Beach have been awarded approximately \$26,000,000 by the State of California Department of Housing and Community Development through the Transit Oriented Development and Infill Infrastructure Grant Programs. In addition, The Long Beach Housing Development Company has approved a loan of \$13,145,000 to Meta for Phase I of the project. Meta has also applied for low-income housing tax credits that are expected to be awarded in September. If awarded, Phase I will be fully funded, and will likely begin construction in early 2011. Phase II of the project will likely begin in 2012 when construction financing for condominiums may be more readily available.

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 Press-Telegram on June 14, 2010. The TEFRA hearing was held on June 29, 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 July 9, 2010 and Budget Management Officer Victoria Bell on July 12, 2010.

TIMING CONSIDERATIONS

City Council action is requested on August 10, 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. This project will provide up to 400 jobs during construction of the project.

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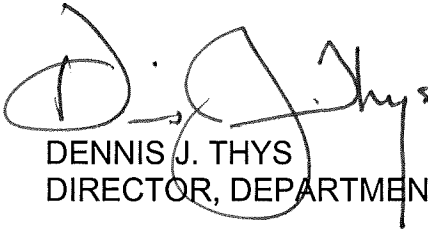
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



DENNIS J. THYS
DIRECTOR, DEPARTMENT OF COMMUNITY DEVELOPMENT

LAF:DN:EF:mm
T:\COUNCIL LETTERS\08-10-10 ccl - 2010 CSCDA LONG BEACH SENIOR ARTIST COLONY TEFRA.DOC
ATTACHMENT – CSCDA LONG BEACH SENIOR ARTIST COLONY 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

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 FOR THE
6 PURPOSE OF FINANCING THE ACQUISITION AND
7 CONSTRUCTION OF THE LONG BEACH SENIOR ARTIST
8 COLONY

9
10 WHEREAS, the California Statewide Communities Development Authority
11 (the "Authority") is authorized by the laws of the State of California (the "Law") to execute
12 and deliver multifamily housing revenue obligations for the purpose of financing the
13 acquisition, construction/rehabilitation and development of multifamily residential rental
14 facilities located within the area of operation of the Authority which are to be occupied, in
15 part, by very low and low income tenants; and

16 WHEREAS, Long Beach Senior Artist Colony, LP, a California limited
17 partnership, or such other limited liability company or limited partnership related thereto
18 or formed by META Housing Corporation (the "Borrower"), has requested the Authority to
19 issue and deliver multifamily housing revenue obligations in the anticipated principal
20 amount of \$30,000,000 (the "Obligations"), the proceeds of which may only be used for
21 the purpose of financing the acquisition and construction of a 147-unit multifamily
22 residential rental facility to be commonly known as the Long Beach Senior Artist Colony
23 to be located at 1235 Long Beach Boulevard in the City of Long Beach, California (the
24 "Project"); and

25 WHEREAS, the Obligations which are expected to be issued and delivered
26 to finance the acquisition and construction of the Project would be considered "qualified
27 exempt facility bonds" under Section 142 (a) of the Internal revenue Code of 1986, as
28 amended (the "Code"), and Section 147(f) of the Code requires that the "applicable

1 elected representatives" with respect to the jurisdiction in which the Project is located
2 hold, or cause to be held, a public hearing with respect to the issuance and delivery of
3 the Obligations; and

4 WHEREAS, the City Treasurer's Office of the City of Long Beach, on behalf
5 of the "applicable elected representatives" of the City of Long Beach, has held said public
6 hearing at which all those interest in speaking with respect to the proposed financing of
7 the Project were heard;

8 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
9 follows:

10 Section 1. The City Council hereby finds and determines that the
11 foregoing recitals are true and correct.

12 Section 2. For purposes of the requirements of the Code only, the City
13 Council hereby approves the proposed financing of the Project by the Authority with the
14 proceeds of the Obligations.

15 Section 3. The issuance and delivery of the Obligations shall be subject
16 to the approval of and execution by the Authority of all financing documents relating
17 thereto to which the Authority is a party and subject to the sale of the Obligations by the
18 Authority.

19 Section 4. The adoption of this Resolution is solely for the purpose of
20 meeting the requirements of the Code and shall not be construed in any other manner,
21 the City nor its staff having fully reviewed or considered the financial feasibility of the
22 Project or the expected financing or operation of the Project with regards to any State of
23 California statutory requirements, and such adoption shall not obligate (i) the City to
24 provide financing to the Borrower for the acquisition, construction and development of the
25 Project or to issue the Obligations for purposes of such financing; or (ii) the City, of or any
26 department of the City, to approve any application or request for, or take any other action
27 in connection with, any environmental, General Plan, zoning or any other permit or other
28 action necessary for the acquisition, construction, development or operation of the

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1 Project.

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

4 Thomas A. Downey
5 The Orrick Building
6 Orrick, Herrington & Sutcliffe LLP
7 405 Howard Street
8 San Francisco, California 94105

9 Section 6. This resolution shall take effect immediately upon its adoption
10 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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

14 Ayes: Councilmembers: _____
15 _____
16 _____
17 _____

18 Noes: Councilmembers: _____
19 _____

20 Absent: Councilmembers: _____
21 _____

22 _____
23 _____
24 _____
25 City Clerk

26
27
28