

# CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

November 16, 2004

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**SUBJECT:** Resolution Authorizing the Issuance, Sale and Delivery of Multifamily Mortgage Revenue Bonds for the Jamboree West Gateway Apartments in an Aggregate Principal Amount not to Exceed \$11,000,000 and Approving and Authorizing Other Related Documents and Actions (District 1)

## DISCUSSION

On December 2, 2003, the City Council adopted a Resolution expressing the City's intent to issue Multifamily Mortgage Revenue Bonds in an amount not to exceed \$11,000,000 for the Jamboree West Gateway Apartments. Following the City Council's authorization, the City and the developer, Jamboree Housing Corporation, submitted an application to the California Debt Limit Allocation Committee (CDLAC) for an allocation of \$11,000,000 in tax-exempt Multifamily Mortgage Revenue Bonds to develop 64 units of family rental housing. On September 22, 2004, CDLAC awarded an allocation of Multifamily Mortgage Revenue Bonds in the amount of \$11,000,000 to the City of Long Beach for the project. A copy of the December 2, 2003, City Council letter providing more detail on the project is attached.

Pursuant to current City policy and state law, on November 16, 2004, a Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing was conducted in the office of the City Treasurer regarding the potential issuance by the City of \$11,000,000 in Multifamily Mortgage Revenue Bonds for the financing of the Jamboree West Gateway Apartments.

To proceed with the bond issuance and sale, it is necessary for the City Council to adopt the attached Resolution authorizing the issuance, sale and delivery of Multifamily Mortgage Revenue Bonds in an amount not to exceed \$11,000,000.

This letter was reviewed by Assistant City Attorney Michael J. Mais on November 9, 2004, and Budget Management Officer David Wodynski on November 4, 2004.

## TIMING CONSIDERATIONS

City Council action is requested on November 16, 2004 to meet the projected bond closing date of December 15, 2004.

FISCAL IMPACT

There are no direct City costs, other than staff time, related to the recommended action. The developer will repay the Bond debt with revenue from project rents. There will be a one-time fee of \$50,000 paid by the developer to reimburse the City for its staff costs. This fee will be equally split between the Department of Community Development and the Department of Financial Management, resulting in a one-time revenue increase of \$25,000 to the Housing Development Fund (SR 135) and \$25,000 to the General Fund (GP) in Fiscal Year 2005. The Department of Community Development will also receive \$10,000 per year from the developer for the term of the bonds as an annual monitoring fee to be deposited into the Housing Development Fund.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Adopt the attached Resolution authorizing the issuance, sale and delivery of Multifamily Mortgage Revenue Bonds for the Jamboree West Gateway Apartments in an amount not to exceed \$11,000,000 and approving and authorizing other related documents, official actions and matters; and
2. Authorize the City Manager to execute all documents necessary to complete this transaction as indicated in the attached resolution.

Respectfully submitted,



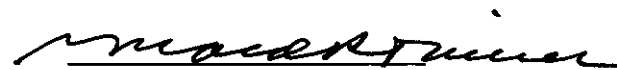
MELANIE S. FALLON  
DIRECTOR OF COMMUNITY DEVELOPMENT



MICHAEL A. KILLEBREW  
ACTING DIRECTOR OF FINANCIAL MANAGEMENT

MSF/MAK/BS/JG/pcu

APPROVED:



GERALD R. MILLER  
CITY MANAGER

Attachments:

- December 2, 2003 City Council letter and approved Resolution
- Resolution authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds