

# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

# R-17

333 West Ocean Boulevard 6<sup>th</sup> 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 Palm Desert Development Company, in an amount not to exceed \$13,500,000. (District 9)

## DISCUSSION

Palm Desert Development Company, founded in 1979, has requested the CSCDA to issue bonds on its behalf in an aggregate amount not to exceed \$13,500,000. 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 construction of a new affordable senior rental housing development at 3290 East Artesia Boulevard, which is referred to as the Ramona Park Senior Apartments (RPSA). The RPSA building is intended for low- and very low-income seniors and includes 61 apartment units and amenity space that are designed to provide opportunities for lifelong learning for the residents. The development will also include a pool, circuit training course, community center, kitchen, library, gym, computer lab, dining area, and entertainment areas.

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 1:30 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.

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.

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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 225 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:mm  
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ATTACHMENT – CSCDA RAMONA PARK SENIOR APARTMENTS RESOLUTION

APPROVED:



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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 THE RAMONA PARK  
8 SENIOR APARTMENTS PROJECT  
9

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

18 WHEREAS, Long Beach Artesia, L.P., a limited partnership or related  
19 entities, has requested that the Authority adopt a plan of financing providing for the  
20 issuance of multifamily housing revenue bonds (the "Bonds") in one or more series  
21 issued from time to time, including bonds issued to refund such revenue bonds in one or  
22 more series from time to time, and at no time to exceed \$13,500,000 in outstanding  
23 aggregate principal amount, to finance the acquisition, construction and development of a  
24 60-unit senior multifamily rental housing project located at 3290 East Artesia Boulevard,  
25 Long Beach, California, generally known as Ramona Park Senior Apartments Project (the  
26 "Project") and operated by Barker Management; and

27 WHEREAS, the Bonds or a portion thereof will be "private activity bonds"  
28 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)

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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 \_\_\_\_\_

25 \_\_\_\_\_  
26 \_\_\_\_\_  
27 City Clerk  
28