



CITY OF LONG BEACH

AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

333 West Ocean Blvd., 3rd Floor, Long Beach, CA 90802 Phone: 562.570.6615 Fax: 562.570.6215

August 21, 2012

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF LONG BEACH
City of Long Beach
California

RECOMMENDATION:

Approve the request of the City of Long Beach, acting as Successor Housing Agency pursuant to Health & Safety Code Section 34176, to designate 2005 Housing bond proceeds in the aggregate amount of \$18,300,000 as available for the development of affordable housing in accordance with current law. (District 9)

DISCUSSION

On January 10, 2005, the former Redevelopment Agency of the City of Long Beach approved the issuance of bonds secured by its 20 percent housing set-aside to provide additional funds to more expeditiously implement the Housing Action Plan for the creation of affordable housing in key neighborhoods. On January 18, 2005, the City Council also authorized issuance of the bonds. As issuer of the bonds, the former Redevelopment Agency of the City of Long Beach is responsible for making the annual debt payments and the source of repayment is now the Redevelopment Property Tax Trust Fund.

On January 17, 2012, the City of Long Beach validly assumed the housing functions of the former Redevelopment Agency of the City of Long Beach as the Successor Housing Agency pursuant to AB1X 26 (Dissolution Act). The Long Beach Housing Development Company administers housing functions on behalf of the City of Long Beach as its wholly owned non-profit corporation.

On June 15, 2011, the Long Beach Housing Development Company approved (i) a loan in the amount of \$5,900,000 to a to-be-formed partnership, in which Hunt Capital Partners, LLC, or its affiliate, acts as the general partner for the acquisition and rehabilitation of Belwood Apartments at 6301 Atlantic Avenue; and (ii) a loan in the amount of \$12,400,000 to Palm Desert Development Company for the development of Ramona Park Senior Apartments at 3290 Artesia Boulevard (collectively, the "Housing Loans"). As required by Health & Safety Code Section 34176(g), the City of Long Beach, acting as Successor Housing Agency, has requested that the Successor Agency approve designating 2005 Housing bond proceeds in the aggregate amount of \$18,300,000 for use by the Long Beach Housing Development Company, in making the Housing Loans. A copy of the request letter is attached hereto as Exhibit A.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
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Applicable law states that bond proceeds currently held by the Successor Agency may be expended for housing projects if (i) such expenditures are consistent with applicable bond covenants, (ii) there are sufficient funds available for the projects, and (iii) such projects are included on an approved and valid Recognized Obligation Payment Schedule. Staff has reviewed the bond covenants and determined that the Housing Loans are consistent with applicable bond covenants. There is currently \$18,700,000 in Housing bond proceeds available for the projects. Additionally, the Housing Loans are included on the most recent Recognized Obligation Payment Schedule, which is being submitted for approval by the Successor Agency concurrently with this item.

This matter was reviewed by Deputy City Attorney Richard Anthony on July 31, 2012, and by Budget Management Officer Victoria Bell on August 7, 2012.

TIMING CONSIDERATIONS

Successor Agency action is requested on August 21, 2012, to allow the City of Long Beach, acting as Successor Housing Agency, to designate 2005 Housing bond proceeds for the Housing Loans, once the projects are approved on the Recognized Obligation Payment Schedule.

FISCAL IMPACT

Sufficient funds are currently budgeted in the Housing Development Fund (SR 135) in the Development Services Department (DV). There is no impact to the General Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
CITY MANAGER

PW:AJB:RMZ:PU:ms

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Attachment: Exhibit A – July 30, 2012 Letter Noticing the City of Long Beach's Intent to Designate Housing Bond Proceeds for Housing Loans



CITY OF LONG BEACH

Exhibit A

OFFICE OF THE CITY MANAGER

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PATRICK H. WEST
CITY MANAGER

July 31, 2012

Amy J. Bodek
Director of Development Services
City of Long Beach, as the Successor Agency
to the Redevelopment Agency of the City of Long Beach
333 W. Ocean Blvd., 3rd Floor
Long Beach, CA 90802

RE: Belwood and Ramona Park Senior Apartments Affordable Housing Loans

Dear Ms. Bodek:

The City of Long Beach ("City") validly assumed the housing functions of the former Redevelopment Agency of the City of Long Beach ("Agency") pursuant to Health and Safety Code Section 34176. The Long Beach Housing Development Company ("LBHDC") administers the housing functions on behalf of the City.

On June 15, 2011, the LBHDC approved (i) a loan in the amount of \$5,900,000 to a to-be-formed partnership, in which Hunt Capital Partners, LLC or its affiliate acts as the general partner for the acquisition and rehabilitation of Belwood Apartments; and (ii) a loan in the amount of \$12,400,000 to Palm Desert Development Company for the development of Ramona Park Senior Apartments (collectively, the "Housing Loans").

In accordance with Health & Safety Code Section 34176(g), the City hereby gives notice to the City of Long Beach, as the Successor Agency to the Redevelopment Agency of the City of Long Beach ("Successor Agency"), of the City's intent to designate housing bond proceeds in the aggregate amount of \$18,300,000 for use by the LBHDC, acting on behalf of the City, in making the "Housing Loans."

CITY OF LONG BEACH

Patrick H. West
City Manager