



# CITY OF LONG BEACH

# R-29

DEPARTMENT OF FINANCIAL MANAGEMENT

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

August 19, 2008

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 New Hope Home, L.P. in an amount not to exceed \$9,000,000. (District 6)

## DISCUSSION

New Hope Home, L.P., a California limited partnership and division of Barker Management, Incorporated (BMI), has requested the California Statewide Communities Development Authority (CSCDA) to issue bonds on its behalf in an aggregate amount not to exceed \$9,000,000 to finance the acquisition and rehabilitation of New Hope Home, located at 1150 New York Street, Long Beach, CA.

The CSCDA will issue tax-exempt debt, which will be loaned to New Hope Home, L.P. in an amount not to exceed \$9,000,000. New Hope Home (Project) is an existing 140 unit affordable senior rental housing complex. Although the Project is in relatively good physical condition, many areas need renovation and upgrading to prevent further deterioration.

CSCDA is a joint exercise of powers authority consisting of over 480 California cities, counties and special districts, including the City of Long Beach. BMI was formed 27 years ago with the concept of providing quality property management services to the affordable housing market. BMI began by managing federally assisted housing and has expanded over the years to include conventional housing and commercial property developments. Its specialty, however, continues to be the management of affordable housing.

The Internal Revenue Service (IRS) 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 Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing notification was published in the Press-Telegram on July 29, 2008. The TEFRA hearing was held on August 12, 2008 at 10:00 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 18, 2008, and Budget Management Officer Victoria Bell on July 21, 2008.

TIMING CONSIDERATIONS

City Council action is requested on August 19, 2008 to facilitate CSCDA's forthcoming debt issuance.

FISCAL IMPACT

The proposed action has no fiscal impact on the City of Long Beach. 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.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL  
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



DENNIS J. THYS  
DIRECTOR OF COMMUNITY DEVELOPMENT

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 NEW HOPE HOME APARTMENTS

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, New Hope Home, L.P. 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 \$12,000,000 in outstanding aggregate principal amount, to finance the acquisition and rehabilitation of a 140-unit multifamily rental housing project located at 1150 New York Street, Long Beach, California and generally known as New Hope Home Apartments (the "Project"); 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

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the "applicable elected

1 representative” of the governmental units on whose behalf such bonds are expected to  
2 be issued and by a governmental unit having jurisdiction over the entire area in which any  
3 facility financed by such bonds is to be located, after a public hearing held following  
4 reasonable public notice; and

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

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

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

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

16 NOW, THEREFORE, the City Council of the City of Long Beach resolves as  
17 follows:

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

19 Section 2. The Council hereby approves the issuance of the Bonds by  
20 the Authority. It is the purpose and intent of the Council that this resolution constitute  
21 approval of the Bonds for the purposes of (a) Section 147(f) of the Code and (b) Section  
22 9 of the Agreement. It is further the purpose and intent of the Council that the approval of  
23 the Bonds shall not be construed to grant any land use approvals or other entitlements  
24 for the Project.

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

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

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

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

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2008, by the following vote:

Ayes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

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\_\_\_\_\_

City Clerk

HAM:fl  
07/21/08  
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