



Legislation Text

File #: 10-0418, **Version:** 1

Recommendation to receive supporting documentation into the record regarding the Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, and adopt 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 \$10,000,000. (District 6)

New Hope Home, L.P., a California limited partnership and division of Barker Management, Incorporated (BMI), has requested the CSCDA issue bonds on its behalf in an aggregate amount not to exceed \$10,000,000 to finance the acquisition and rehabilitation of New Hope Home, L.P., located at 1150 New York Street, Long Beach, CA.

CSCDA is a joint 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 in an amount not to exceed \$10,000,000 to New Hope Home, L.P., which is an existing 140-unit affordable senior rental housing complex. Although the New Hope Home, L.P., is in relatively good physical condition, many areas need renovation and upgrading to prevent further deterioration.

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 City Council originally adopted a resolution approving the issuance of revenue bonds by CSCDA for this project on August 19, 2008. BMI returned to the City Council on November 10, 2009 to request adoption of a resolution approving the issuance of revenue bonds by CSCDA in the amount of \$9,000,000 because previous allocations had to be returned as a result of the downturn in the financial markets. BMI is now requesting that CSCDA issue an additional \$1,000,000 in bond authority, for a total of \$10,000,000 in bonds, to cover an increase in costs to the project, including the installation of a fire sprinkler system.

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 TEFRA public hearing notification was published in the Press-Telegram on March 9, 2010. The TEFRA hearing was held on March 23, 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 March 29, 2010 and Budget Management Officer Victoria Bell on March 30, 2010.

City Council action is requested on April 20, 2010 to facilitate CSCDA's forthcoming debt issuance.

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.

Approve recommendation.

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

LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

DENNIS J. THYS
DIRECTOR OF COMMUNITY DEVELOPMENT

NAME
TITLE

APPROVED:

PATRICK H. WEST
CITY MANAGER