



Legislation Text

File #: 10-1204, **Version:** 1

Recommendation to authorize the City of Long Beach to join the California Municipal Finance Authority (CMFA); 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 CMFA to benefit Abode Communities, Evergreen Apartments Multifamily Housing, in an amount not to exceed \$14,000,000. (Districts 4,9)

Abode Communities, founded as Los Angeles Community Design Center in 1968 to build sustainable, multi-family affordable housing to address the needs of Southern California's large workforce, low-income families, seniors and individuals with special needs, has requested the California Municipal Finance Authority (CMFA) to issue bonds on its behalf in an aggregate amount not to exceed \$14,000,000. The CMFA is a joint exercise of powers authority, consisting of over 110 California cities, counties and special districts, whose mission is to support economic development, job creation and social programs throughout the State of California while giving back to California communities.

The CMFA will issue tax-exempt debt, which will be loaned to Abode Communities, to finance the acquisition and rehabilitation of 81 units of multifamily rental housing located on three sites in the City of Long Beach, including 1823 E. 68th Street (36 units), 1801 E. 68th Street (26 units) and 1528 N. Freeman Avenue (19 units).

In order for the CMFA to have the authority to issue the bonds, the City must become a member of CMFA. There is no cost to the City to become a member to CMFA, or any outgoing costs, and the City can withdraw its membership at any time.

The Internal Revenue Code requires that CMFA seek approval from the City Council in order for the bonds to be issued 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 September 15, 2010. The TEFRA hearing was held on October 5, 2010 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 at the hearing.

This matter was reviewed by Chief Assistant City Attorney Heather A. Mahood on October 7, 2010, and Budget Management Officer Victoria Bell on October 14, 2010.

City Council action is requested on November 9, 2010 to facilitate CMFA'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 or its proposed membership in CMFA. No City interest or taxing authority was pledged in support of this financing. This project will provide up to 125 jobs during rehabilitation phase of the project.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING A JOINT EXERCISE OF

POWERS AGREEMENT RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY, AND APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS BY THE AUTHORITY FOR THE PURPOSE OF FINANCING THE ACQUISITION AND REHABILITATION OF MULTIFAMILY RENTAL HOUSING FACILITIES KNOWN AS EVERGREEN APARTMENTS

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APPROVED:

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