



Legislation Text

File #: 14-0800, **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 Municipal Finance Authority (CMFA) to benefit a limited partnership sponsored by Volunteers of America National Services, in an amount not to exceed \$13,000,000. (District 1)

Volunteers of America National Services (VOANS), a subsidiary of Volunteers of America, Inc., is a human service organization founded in 1896, owns and operates nursing care facilities providing skilled nursing, convalescent and rehabilitative care; apartments for the elderly that provide a secured independent living environment and supportive services; assisted-living programs to elderly residents who can no longer live in an independent environment; and, various human service programs throughout the United States. VOANS also develops and manages subsidized and affordable housing throughout the country. VOANS has requested that CMFA issue bonds on its behalf in an aggregate amount not to exceed \$13,000,000. The CMFA is a joint exercise of powers authority, consisting of over 175 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, the proceeds of which will be loaned to Sea Mist VOA Affordable Housing, L.P., a California limited partnership, for the purpose of financing the acquisition and rehabilitation of a 75-unit multi-family senior rental housing facility located in the City at 1451 Atlantic Avenue, known as Sea Mist Towers (Project). The project, originally constructed in 1993, will be rehabilitated to address building systems, finishes, common areas, and accessibility. The project will remain affordable to low-income seniors for a period of 55 years, beginning at the completion of rehabilitation, which extends the current affordability period by 19 years. Revenues from the project to be financed will be the source of funds to repay the tax-exempt debt.

The Internal Revenue Code requires that CMFA seek approval from the City Council in order for bonds to be issued which will benefit facilities within the City. As required by Federal tax law, a TEFRA public hearing notification was published in the Press-Telegram on August 26, 2014. The TEFRA hearing was held on September 11, 2014 at 9:00 a.m. The public hearing was conducted by the City Treasurer in the sixth floor conference room of City Hall. No public comment was presented at the hearing.

This matter was reviewed by Deputy City Attorney Richard Anthony and by Budget

Management Officer Victoria Bell on September 17, 2014.

City Council action is requested on October 7, 2014 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. No City funds or taxing authority will be pledged in support of this financing. This project will provide continued support to our local economy by providing up to 16 jobs for a ten-month period.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE PURPOSE OF FINANCING THE ACQUISITION AND REHABILITATION OF A MULTIFAMILY RENTAL HOUSING FACILITY KNOWN AS SEA MIST TOWERS.

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APPROVED:

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