



Legislation Text

File #: 09-1199, **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 \$9,000,000. (District 6)

New Hope Home, L.P., a California limited partnership and division of Barker Management, Incorporated (BMI), has requested the 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 (the 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 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 TEFRA public hearing notification was published in the Press-Telegram on October 15, 2009. The TEFRA hearing was held on October 29, 2009 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.

The City Council previously adopted a resolution approving the issuance of revenue bonds by CSCDA for this project on August 19, 2008. BMI was subsequently awarded a bond allocation and an allocation of 4 percent low-income housing tax credits, but the developer had to return the allocations due to the downturn in the financial markets, and the withdrawal of several important tax credit investors from the market. The market is now beginning to rebound as investors are returning to the market.

This matter was reviewed by Assistant City Attorney Heather A. Mahood on October 19, 2009 and Budget and Performance Management Bureau Manager David Wodynski on October 23, 2009.

City Council action is requested on November 10, 2009 to facilitate CSCDA's forthcoming debt issuance.

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.

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

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