



Legislation Text

File #: 17-0062, **Version:** 1

Recommendation to receive supporting documentation into the record regarding the Tax Equity and Fiscal Responsibility Act public hearing; and adopt resolution approving the issuance of revenue bonds by the California Municipal Finance Authority to benefit a partnership to be formed by Century Affordable Development, Inc., to finance the rehabilitation of the Beachwood Apartments, in an amount not to exceed \$15,000,000. (District 1)

Century, a California non-profit, 501 (c)(3) corporation, has requested that CMFA issue bonds on its behalf, in an aggregate amount not to exceed \$15,000,000, for the rehabilitation of a 45-unit multifamily development known as Beachwood Apartments, located at 475 West Fifth Street and 505 West Sixth Street (Project). Beachwood Apartments is restricted to lower-income disabled households.

Century is a non-profit affiliate of Century Housing Corporation and Century Villages at Cabrillo. Century has a long history of development experience. Over the past 20 years, Century, through its affiliates, has developed and rehabilitated extensive housing and supportive service space, including 1,204 residential units across 13 developments, with another 383 units in predevelopment or under construction. The CMFA is a joint exercise of powers authority, consisting of over 240 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 the partnership formed by Century Affordable Development, Inc. (Borrower), to fund the Project. The City, through The Long Beach Community Investment Company, provided a \$2 million Home Investment Partnerships Program (HOME) loan to Century for the acquisition of the project in late 2016 that was funded by the U.S Department of Housing and Urban Development (HUD). The Project will undergo substantial rehabilitation using tax credit equity and bond proceeds. Major building systems, including mechanical and roofing updates, will be completed. Energy efficiency will be improved via new dual pane windows, low-flow water fixtures, and drought tolerant landscaping. Beachwood Apartments will be home to households headed by a disabled adult. Rents will be restricted to households with incomes no greater than 60 percent of the area median income. Rent restrictions for the 44 affordable units (plus one staff unit) will extend for 55 years. Revenues from the financed Project 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. As required by Federal tax law, a TEFRA public hearing notification

was published in the Press-Telegram on January 9, 2017. The TEFRA hearing was held on January 31, 2017 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 on January 23, 2017 and by Budget Operations Administrator Grace Yoon on January 17, 2017.

City Council action is requested on February 7, 2017, 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 50 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 BEACHWOOD APARTMENTS

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

AMY J. BODEK
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER