

# Agenda Report

TO: Mayor and City Council FEBRUARY 11, 2002

FROM: City Manager

SUBJECT: HOLD A PUBLIC HEARING AND ADOPT A RESOLUTION APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FOR A MULTIFAMILY RENTAL HOUSING FACILITY KNOWN AS COMMUNITY ARMS

## **RECOMMENDATION**

It is recommended that the City Council hold a Public Hearing and adopt a Resolution approving the issuance of Multifamily Housing Revenue Bonds by the California Statewide Communities Development Authority for a multifamily rental housing facility known as Community Arms in order for Barker Management (BMI) to acquire the property.

## **BACKGROUND**

Barker Management was formed 28 years ago and began managing federally assisted housing to include conventional housing and commercial developments. Its specialty, however, continues to be the management of affordable housing. BMI is the exclusive management agent for the City of Los Angeles Community Redevelopment Agency and has been involved in the take over of developments in default of their loan agreement.

Presently, BMI has developed into a full service firm providing a multitude of services to its clients. Barker Construction and Development Company, a division of BMI, specializes in major rehabilitation and tenant improvement jobs. Another arm of BMI, Barker Realty, focuses on investment sales and purchases. As a property management firm, BMI handles not only the daily management of a development, but also provides a variety of services. These services include accounting services, budget analysis, maintenance scheduling, monthly accounting reports and in-house legal consultation.

Currently BMI manages nearly 7,000 units in over 130 developments in California and Nevada.

Community Arms is a 133 unit apartment project that BMI will acquire as a result of this transaction. The project was built in 1974 by the Northwest Pasadena Development Corporation. The proceeds will be used to both acquire the property and renovate individual units. It is expected that approximately \$15,000 per unit will be spent.

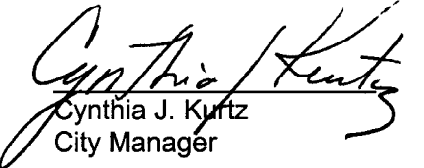
#### **REQUIRED PUBLIC HEARING**

In order for BMI to have access to tax exempt financing, the Internal Revenue Code requires that a public hearing be held concerning the proposed financing. RHF qualifies for tax exempt financing since the project being acquired is for low and moderate-income housing. The required hearing must be preceded by notice published at least 14 days in advance of the hearing. Notice of the proposed hearing was published on January 28, 2002.

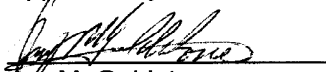
#### **FISCAL IMPACT**

The City will not be directly or contingently obligated in any manner by the proposed financing, and the City will not be a party to the financing documents. Only CSDCA and BMI will be parties to the financing documents, and CSCDA's liability will be limited to payments made by BMI for the purpose of paying debt service.

Respectfully submitted,

  
Cynthia J. Kurtz  
City Manager

Prepared and  
Approved by:



Jay M. Goldstone  
Director of Finance