



Legislation Details (With Text)

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Title: TEFRA HEARING - To hear and consider information concerning the proposed issuance of Multifamily Housing Revenue Bonds by California Statewide Communities Development Authority for the purpose of financing or refinancing the acquisition, rehabilitation, improvement and equipping of Pleasant Village Apartments
1. ***RESOLUTION - Approving the issuance by the California Statewide Communities Development Authority of Multifamily Housing Revenue Bonds, in an aggregate principal amount not to exceed \$15 million for the purpose of financing or refinancing the acquisition, rehabilitation, improvement and equipping of Pleasant Village Apartments and certain other matters relating thereto (Subject to Mayor's veto).

Sponsors: Finance Department

Indexes:

Code sections:

Attachments: 1. Pleasant Village Resolution - Final.pdf

Date	Ver.	Action By	Action	Result
8/20/2020	1	City Council	adopted	Pass

REPORT TO THE CITY COUNCIL

August 20, 2020

FROM: MICHAEL LIMA, Finance Director/City Controller
Finance Department

BY: PHILLIP HARDCASTLE, Principal Accountant - Debt Administration
Finance Department

SUBJECT

TEFRA HEARING - To hear and consider information concerning the proposed issuance of Multifamily Housing Revenue Bonds by California Statewide Communities Development Authority for the purpose of financing or refinancing the acquisition, rehabilitation, improvement and equipping of Pleasant Village Apartments

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RECOMMENDATION

Staff recommends that the Council first hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and then, upon conclusion, adopt the accompanying Resolution approving the issuance of Multifamily Housing Revenue Bonds (Bonds) in the aggregate principal amount not to exceed \$15 million by the California Statewide Communities Development Authority (CSCDA) on behalf of Pleasant Village Preservation, L.P. and 21 Alpha Group, LLC (collectively, Borrower) for the purpose of financing or refinancing the acquisition, rehabilitation, improvement and equipping of Pleasant Village Apartments (Project).

EXECUTIVE SUMMARY

The Borrower is seeking to obtain financing or refinancing in an amount of not to exceed \$15 million for the acquisition, rehabilitation, improvement and equipping of the Project located at 3669 North Pleasant Avenue. The new tax exempt bonds will be issued by CSCDA. As a jurisdiction in which the facilities are located, the City Council must hold a public hearing in accordance with Section 147 (f) of the Internal Revenue Code for the purpose of receiving any public testimony regarding the project before it considers authorizing CSCDA to issue Bonds for such purposes. Bonds must be issued within one year of adoption of the Resolution.

Should the City authorize the issuance of Bonds, the City would have no obligation or liability associated with these facilities or with these Bonds.

BACKGROUND

The City received a request by CSCDA to hold a public hearing regarding a proposed bond issuance for the purpose of financing or refinancing of the acquisition, rehabilitation, improvement and equipping of the Project located at 3669 North Pleasant Avenue in Fresno Council District 1. The new tax exempt Bonds will be issued by CSCDA in an amount not to exceed \$15 million. Upon conclusion of the public hearing, the City is then requested to authorize CSCDA to proceed with the issuance of the Bonds. CSCDA is a joint exercise of powers authority sponsored by the League of California Cities and California State Association of Counties comprised of over 500 California cities, counties and special districts, including the City of Fresno.

The Borrower is a partnership wishing to acquire and rehabilitate the Project as a qualified residential rental project pursuant to Section 142(a)(7) of the Internal Revenue Code of 1986 (Code). Proceeds from the \$15 million bond issuance will be used to finance or refinance the acquisition, rehabilitation, improvement and equipping of the Project.

In order to initiate such a financing under TEFRA requirements, the City in which the proposed facilities are located must (1) conduct a public hearing and (2) approve CSCDA issuance of indebtedness. This proposed financing was originally heard and unanimously approved by Council through a TEFRA Hearing held on August 15, 2019. Due to difficulties arising from the COVID pandemic, the CSCDA and the Borrower have been unable to issue the bonds before the one-year expiration date of the original resolution. Thus, the CSCDA and the Borrower request that the Council hold a second TEFRA Hearing to hear public comments and then consider adopting a new resolution. This hearing was noticed on the City of Fresno website (www.fresno.gov) on August 13, 2020. No written testimony regarding this proposed bond issuance has been received as of this date of this hearing.

ENVIRONMENTAL FINDINGS

This item is not a project of the City of Fresno and as such, for purposes of this hearing, the California Environmental Quality Act requirements are not applicable.

LOCAL PREFERENCE

Local preference was not considered because this resolution does not include a bid or award of a construction or service contract.

FISCAL IMPACT

The City has no obligation or liability associated with the requested financing. The Bonds will not constitute indebtedness or obligation of, and will not involve a pledge of the good faith and credit of the City. The Bonds will be limited obligations of the Issuer payable only from loan repayments to be made to the Issuer from certain funds and accounts established by or pursuant to the bond indenture (s) under which the Bonds will be issued.

Attachment: Resolution