



Legislation Details (With Text)

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Title: TEFRA HEARING - To hear and consider information concerning the proposed issuance of Revenue Bonds by California Statewide Communities Development Authority for the purpose of financing the acquisition, construction and equipping of King's Canyon Apartments by King's Canyon Affordable Housing, LP in an amount not to exceed \$35,000,000
1. ***RESOLUTION - Approving a tax-exempt bond financing to be issued by the Authority to benefit King's Canyon Affordable Housing, LP in the aggregate principal amount not to exceed \$35,000,000.

Sponsors: Finance Department

Indexes:

Code sections:

Attachments: 1. King's Canyon Apartments Resolution.pdf, 2. Publication Notice - Council Item.pdf

Date	Ver.	Action By	Action	Result
3/16/2017	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

March 16, 2017

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 Revenue Bonds by California Statewide Communities Development Authority for the purpose of financing the acquisition, construction and equipping of King's Canyon Apartments by King's Canyon Affordable Housing, LP in an amount not to exceed \$35,000,000
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RECOMMENDATION

Staff recommends that the Council first hold a public hearing and then, upon conclusion, adopt the accompanying resolution approving the issuance of the Revenue Bonds by the California Statewide Communities Development Authority (Authority) on behalf of King's Canyon Affordable Housing, LP

(Applicant) in the aggregate principal amount not to exceed \$35,000,000.

EXECUTIVE SUMMARY

The Applicant is seeking to obtain financing for the acquisition, construction and equipping of King's Canyon Apartments located in Fresno. The new tax exempt obligations will be issued by the Authority. As required by Section 147(f) of the Internal Revenue Code, the Council must hold a public hearing under the provisions of the Tax Equity and Financial Responsibility Act (TEFRA) to receive any public testimony regarding the project before it considers authorizing the issuance of bonds for this purpose.

Should the City authorize the issuance of bonds, the City would have no obligation or liability associated with this facility or with these bonds.

BACKGROUND

The City has received a request by the Applicant to hold a public hearing regarding a proposed issuance of Revenue Bonds (Bonds) for the purpose of financing the acquisition, construction, furnishing and equipping of a 135-unit multifamily rental housing project located at 5070 E. Kings Canyon Road, Fresno, California, generally known as King's Canyon Apartments, in an amount not to exceed \$35,000,000.

Under the provisions of TEFRA as codified in Section 147(f) of the Internal Revenue Code, the appropriate elected public body in which the proposed facilities are located must (1) conduct a public hearing to receive testimony regarding the proposed issuance; and (2) approve the Authority's issuance of indebtedness. This hearing was noticed in the Fresno Bee on February 24, 2017. No testimony regarding this proposed bond issuance has been received as of today.

The attached resolution, if approved by the Council, will provide authorization to the Authority to issue tax-exempt obligations on behalf of the Applicant in an amount not to exceed \$35,000,000. The Bonds will be limited obligations of the Authority, payable only from loan repayments to be made by the Applicant to the Authority from certain funds and accounts established by or pursuant to the bond indenture(s) under which the Bonds will be issued. The Bonds will not constitute a debt or liability to the City.

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 this financing. The Bonds will not constitute an 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. The Authority has no taxing power and the issuance of the Bonds will not obligate the State of California or any political subdivision of the State to levy or pledge any form of taxation for the Bonds or to make any appropriation for the payment of the Bonds.

Attachment:
Resolution
Publication notice