



Legislation Details (With Text)

File #: ID17-1459 **Version:** 1 **Name:** TEFRA Hearing for Millenium Housing of California
Type: Action Item **Status:** Passed
File created: 10/19/2017 **In control:** City Council
On agenda: 11/9/2017 **Final action:** 11/9/2017
Title: TEFRA HEARING - To hear and consider information concerning the proposed issuance of Revenue Bonds by Independent Cities Finance Authority for the purpose of refinancing bonds, financing improvements to Westlake Mobile Home Park, and the acquisition/renovation of Millbrook Mobile Home Park
1. ***RESOLUTION - Approving a tax-exempt bond financing to be issued by the Authority to benefit Millennium Housing of California in the aggregate principal amount not to exceed \$24 million (Subject to Mayor's veto)
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: 1. Resolution.pdf

Date	Ver.	Action By	Action	Result
11/9/2017	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

November 9, 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 Independent Cities Finance Authority for the purpose of refinancing bonds, financing improvements to Westlake Mobile Home Park, and the acquisition/renovation of Millbrook Mobile Home Park

1. ***RESOLUTION - Approving a tax-exempt bond financing to be issued by the Authority to benefit Millennium Housing of California in the aggregate principal amount not to exceed \$24 million (Subject to Mayor's veto)

RECOMMENDATION

Staff recommends that the Council first hold a Tax Equity and Financial Responsibility Act (TEFRA) public hearing and then, upon conclusion, adopt the accompanying Resolution approving the

issuance of the Revenue Bonds (Bonds) by the Independent Cities Finance Authority (Authority) on behalf of Millennium Housing of California (Applicant) in the aggregate principal amount not to exceed \$24 million.

EXECUTIVE SUMMARY

The Applicant is seeking to obtain financing for the acquisition, renovation and refinancing of facilities of which over half will serve very-low to low-income households. The new tax exempt bonds will be issued by the Authority. As a jurisdiction in which the facilities are located, the 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 the Authority to issue obligations 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 obligations.

BACKGROUND

The City has received a request by the Applicant to hold a public hearing regarding a proposed issuance of Bonds for the purpose of refinancing bonds previously issued, financing improvements to Westlake Mobile Home Park located at 2706 West Ashlan Avenue in Fresno, and for the acquisition/improvements to Millbrook Mobile Home Village located at 3404 N. Millbrook Avenue in Fresno. The new tax exempt Bonds will be issued by the Authority, in an amount not to exceed \$24 million. Upon conclusion of the public hearing, the City is then requested to authorize the Authority to proceed with the issuance of the Bonds.

Under the provisions of TEFRA as codified in Section 147(f) of the Internal Revenue Code, the City in which the proposed facilities are located must (1) conduct a public hearing and (2) approve the Authority issuance of indebtedness. The hearing was noticed in the Fresno Bee on October 25, 2017. No written testimony regarding this proposed bond issuance has been received as of this date.

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 \$24 million.

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 be limited obligations of the Authority 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 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