



Legislation Details (With Text)

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Type: Action Item **Status:** Passed
File created: 12/20/2017 **In control:** City Council
On agenda: 1/11/2018 **Final action:** 1/11/2018
Title: TEFRA HEARING - To hear and consider information concerning the proposed issuance of Revenue Bonds by California Public Finance Authority (CalPFA) for the purpose of financing the acquisition, rehabilitation, improvement and equipping of Bigby Villa Apartments and Westgate Gardens Apartments by Reliant - Valley, LP.
1. ***RESOLUTION - Approving a tax-exempt bond financing to be issued by CalPFA to benefit Reliant - Valley, LP in the aggregate principal amount not to exceed \$32 million for Bigby Villa Apartments (Subject to Mayor's veto).
2. ***RESOLUTION - Approving a tax-exempt bond financing to be issued by CalPFA to benefit Reliant - Valley, LP in the aggregate principal amount not to exceed \$18 million for Westgate Gardens Apartments (Subject to Mayor's veto).
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: 1. Resolution - Bigby Villa Apartments.pdf, 2. Resolution - Westgate Gardens Apartments.pdf, 3. Supplement - Letter from H.E.A.T..pdf

Date	Ver.	Action By	Action	Result
1/11/2018	1	City Council	adopted	Pass

REPORT TO THE CITY COUNCIL

January 11, 2018

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 Public Finance Authority (CalPFA) for the purpose of financing the acquisition, rehabilitation, improvement and equipping of Bigby Villa Apartments and Westgate Gardens Apartments by Reliant - Valley, LP.

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Reliant - Valley, LP in the aggregate principal amount not to exceed \$18 million for Westgate Gardens Apartments (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 by CalPFA on behalf of Reliant - Valley, LP (Applicant) for improvements at Bigby Villa Apartments and Westgate Gardens Apartments.

EXECUTIVE SUMMARY

The Applicant is seeking to obtain financing for the acquisition, rehabilitation, improvement and equipping of Bigby Villa Apartments and Westgate Gardens Apartments, both located in southwest Fresno. The new tax exempt bonds will be issued by CalPFA. 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 projects before it considers authorizing CalPFA to issue obligations for such purposes.

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

BACKGROUND

The City has received a request by the Applicant to hold a public hearing regarding two proposed Revenue Bonds (Bonds) issuances for the purpose of financing the acquisition, rehabilitation, improvement and equipping of both Bigby Villa Apartments located at 1329 East Reverend Chester Riggins Road in Fresno, and Westlake Gardens located at 830 East Belgravia Avenue in Fresno. The new tax exempt Bonds will be issued by CalPFA in an amount not to exceed \$32 million for Bigby Villa Apartments and \$18 million for Westlake Gardens. Upon conclusion of the public hearing, the City is then requested to authorize CalPFA to proceed with the issuance of the Bonds.

CalPFA is a joint powers authority established by Kings County and the Housing Authority of Kings County for the purpose of assisting local governments, non-profit organizations and businesses with the issuance of taxable and tax-exempt financing for the purpose of providing and preserving affordable housing within the jurisdictional boundaries of its members.. There are 26 additional cities and counties who are associate members of CalPFA. Pursuant to Resolution No. 2017-342 adopted on December 14, 2017, the City of Fresno became an associate member of CalPFA.

In order to initiate such a financing, the City in which the proposed facilities are located must (1) conduct a public hearing and (2) approve CalPFA issuance of indebtedness. The Internal Revenue Code requires all local legislative bodies to hold this hearing before it considers approving the issuance of such obligations. The attached resolutions, if approved by the Council, will provide authorization to CalPFA to issue tax-exempt obligations on behalf of the Applicant. This hearing was noticed in the Fresno Bee on December 27, 2017. No written testimony regarding this proposed bond issuance has been received to date.

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 CalPFA payable only from loan repayments to be made to CalPFA from certain funds and accounts established by or pursuant to the bond indenture(s) under which the Bonds will be issued.

Attachment: Resolution - Bigby Villa Apartments
Resolution - Westgate Gardens Apartments