



Legislation Details (With Text)

File #: ID18-1175 **Version:** 1 **Name:** TEFRA Hearing - The Vineyards by The California Home for the Aged, Inc.
Type: Action Item **Status:** Passed
File created: 10/1/2018 **In control:** City Council
On agenda: 10/25/2018 **Final action:** 10/25/2018
Title: TEFRA HEARING - To hear and consider information concerning the proposed issuance of Revenue Bonds by California Municipal Finance Authority (CMFA) for the purpose of financing the acquisition, construction, expansion, equipping and furnishing of The Vineyards senior living center by The California Home for the Aged, Inc.
1. ***RESOLUTION - Approving a tax-exempt bond financing to be issued by CMFA to benefit The California Home for the Aged, Inc. in the aggregate principal amount not to exceed \$27.5 million for The Vineyards senior living facility (Subject to Mayor's veto)
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: 1. Resolution - Initialed.pdf

Date	Ver.	Action By	Action	Result
10/25/2018	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

October 25, 2018

FROM: MAVET MORA, Assistant Finance Director/Assistant 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 Municipal Finance Authority (CMFA) for the purpose of financing the acquisition, construction, expansion, equipping and furnishing of The Vineyards senior living center by The California Home for the Aged, Inc.

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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 CMFA on behalf of the California Home for the Aged, Inc. (Applicant), doing business as California Armenian Home, in the aggregate principal amount not to exceed \$27.5 million for The Vineyards senior living facility.

EXECUTIVE SUMMARY

The Applicant is seeking to obtain financing for the acquisition, construction, expansion, equipping and furnishing of The Vineyards senior living facility, located in southeast Fresno. The new tax exempt bonds will be issued by CMFA. 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 CMFA 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 a proposed Revenue Bonds (Bonds) issuance for the purpose of financing the acquisition, construction, expansion, equipping and furnishing of The Vineyards senior living facility located between 6694 and 6708 East Kings Canyon Road in Fresno. The new tax exempt Bonds will be issued by CMFA, in an amount not to exceed \$27.5 million. Upon conclusion of the public hearing, the City is then requested to authorize CMFA to proceed with the issuance of the Bonds. The proceeds of the Bonds will be used to refinance a 2016 taxable loan that was used to finance the construction of The Vineyards expansion.

CMFA was established on January 1, 2004 pursuant to a joint exercise of powers agreement to promote economic, cultural and community development through the financing of economic development and charitable activities throughout California. To date, over 300 municipalities, including the City of Fresno, have become members of CMFA.

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 CMFA issuance of indebtedness. The Internal Revenue Code requires all local legislative bodies to hold this hearing before it considers authorizing the issuance of such obligations. The attached resolution, if approved by the Council, will provide authorization to CMFA to issue tax-exempt obligations on behalf of the Applicant. This hearing was noticed in the Fresno Bee on October 10, 2018. No testimony regarding this proposed bond issuance has been received as of this 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 CMFA payable only from loan repayments to be made to CMFA from certain funds and accounts established by or pursuant to the bond indenture(s) under which the Bonds will be issued.

Attachment: Resolution