



Legislation Details (With Text)

File #: ID19-1557 **Version:** 1 **Name:** TEFRA Hearing - Hotel Fresno Apartments
Type: Action Item **Status:** Passed
File created: 4/10/2019 **In control:** City Council
On agenda: 4/25/2019 **Final action:** 4/25/2019
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 or refinancing the acquisition, construction, improvement and equipping of Hotel Fresno Apartments
1. ***RESOLUTION - Approving a tax-exempt bond financing to be issued by CMFA to benefit Broadway Plaza Family Apartments, LP, or a partnership of which APEC International, LLC, or a related person to the Developer who is the general partner in the aggregate principal amount not to exceed \$20 million for Hotel Fresno Apartments (Subject to Mayor's veto)
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: 1. Resolution 2019 (Approved).pdf

Date	Ver.	Action By	Action	Result
4/25/2019	1	City Council	adopted	Pass

REPORT TO THE CITY COUNCIL

April 25, 2019

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 Municipal Finance Authority (CMFA) for the purpose of financing or refinancing the acquisition, construction, improvement and equipping of Hotel Fresno Apartments
1. ***RESOLUTION - Approving a tax-exempt bond financing to be issued by CMFA to benefit Broadway Plaza Family Apartments, LP, or a partnership of which APEC International, LLC, or a related person to the Developer who is the general partner in the aggregate principal amount not to exceed \$20 million for Hotel Fresno Apartments (Subject to Mayor's veto)

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 the Revenue Bonds by CMFA on behalf of Broadway Plaza Family Apartments, LP

(Applicant) or a partnership of which APEC International, LLC (Developer) or a related person to the Developer who is the general partner in the aggregate principal amount not to exceed \$20 million for Hotel Fresno Apartments (Project).

EXECUTIVE SUMMARY

The Applicant is seeking to obtain financing for the acquisition, construction, improvement and equipping of the Project, a 79-unit multifamily rental housing project located in downtown 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 CMFA to hold a public hearing regarding a proposed Revenue Bond (Bonds) issuance for the purpose of financing or refinancing the acquisition, construction, improvement and equipping of a 79-unit multifamily rental housing project located 1241 - 1263 Broadway Plaza in Fresno. The new tax exempt Bonds will be issued by CMFA, in an amount not to exceed \$20 million. Upon conclusion of the public hearing, the City is then requested to authorize CMFA to proceed with the issuance of the Bonds.

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.

As a public benefit to the community of Fresno, the Applicant will team up with Deep Green Housing and Community Development, which is a non-profit organization providing affordable housing and services to the low-income population of Fresno.

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. Therefore, although CMFA will be the issuer of the Bonds for the Applicant, the financing cannot proceed without the City of Fresno's approval of the financings. The attached resolution, if approved by the Council, will provide authorization to CMFA to issue tax-exempt obligations on behalf of the Applicant in an amount not to exceed \$20 million for Hotel Fresno Apartments. This hearing was noticed in the Fresno Bee on April 17, 2019. No written 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 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