



## Legislation Details (With Text)

**File #:** ID19-1792    **Version:** 1    **Name:** TEFRA Hearing - Human Good (Terraces at San Joaquin Gardens)  
**Type:** Action Item    **Status:** Passed  
**File created:** 5/29/2019    **In control:** City Council  
**On agenda:** 6/13/2019    **Final action:** 6/13/2019  
**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 and refinancing the acquisition, construction, furnishing and equipping of The Terraces at San Joaquin Gardens  
1. \*\*\*RESOLUTION - Approving the issuance by the CMFA of Multifamily Housing Revenue Bonds, Series 2019 (HumanGood) in an aggregate principal not to exceed \$195 million for the purpose of financing and refinancing the acquisition, construction, furnishing and equipping of The Terraces at San Joaquin Gardens and certain other matters relating thereto (Subject to Mayor's veto).  
**Sponsors:** Finance Department  
**Indexes:**  
**Code sections:**  
**Attachments:** 1. Resolution - Terraces at San Joaquin Gardens 2019.pdf, 2. Late Submission - TEFRA.pdf

Date	Ver.	Action By	Action	Result
6/13/2019	1	City Council	adopted	Pass

## REPORT TO THE CITY COUNCIL

**June 13, 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 and refinancing the acquisition, construction, furnishing and equipping of The Terraces at San Joaquin Gardens  
1. \*\*\*RESOLUTION - Approving the issuance by the CMFA of Multifamily Housing Revenue Bonds, Series 2019 (HumanGood) in an aggregate principal not to exceed \$195 million for the purpose of financing and refinancing the acquisition, construction, furnishing and equipping of The Terraces at San Joaquin Gardens and certain other matters relating thereto (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 HumanGood, HumanGood NorCal, HumanGood Fresno, Redwood Senior Homes and Services and Westminster Gardens (collectively, Borrower), in the aggregate principal amount not to exceed \$195 million, of which a principal amount not to exceed \$18 million will be for The Terraces at San Joaquin Gardens (Project).

## **EXECUTIVE SUMMARY**

The Borrower is seeking to obtain financing and refinancing for the acquisition, construction, furnishing and equipping of the Project, with an amount of not to exceed \$18 million for The Terraces at San Joaquin Gardens, located at 5555 North Fresno Street. The new tax exempt bonds will be issued by CMFA. As a jurisdiction in which the facilities are located, the City 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 Bonds (Bonds) issuance for the purpose of financing and refinancing of the acquisition, construction, furnishing and equipping of The Terraces at San Joaquin Gardens continuing care facility located at 5555 North Fresno Street in Fresno. The new tax exempt Bonds will be issued by CMFA, in an amount not to exceed \$195 million, with an amount not to exceed \$18 million to be used for the Project. Upon conclusion of the public hearing, the City is then requested to authorize CMFA to proceed with the issuance of the Bonds.

The Borrower is a non-profit public benefit corporation providing continuing care for seniors. Proceeds from the \$195 million bond issuance will be used to refund existing bonds, fund expenses and reserve funds associated with the issuance, and financing or reimbursing the cost of remodeling, renovating, furnishing and equipping of certain of the Borrower's continuing care communities located in several jurisdictions throughout the state of California, including in the City of Fresno,

In order to initiate such a financing under TEFRA requirements, 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 Borrower, the financing cannot proceed without the City of Fresno's approval of the financings. This hearing was noticed in the Fresno Bee on June 5, 2019. No written testimony regarding this proposed bond issuance has been received as of this date of this hearing.

## **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 Obligations will be issued.

Attachment: Resolution