



Legislation Details (With Text)

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Title: Tax Equity and Financial Responsibility Act (TEFRA) public hearing.
1. TEFRA HEARING - To hear and consider financing of the acquisition, development, construction, furnishing and equipping of a student housing facility and related working capital, The new bond will be issued by the Authority. As a jurisdiction in which the facilities are located, the Council must consider authorizing the Authority to issue the obligations for such purposes.
2. ***RESOLUTION- Approving the Issuance by the California Public Finance Authority of not to exceed \$80,000,000 aggregate principal amount of the California Public Finance Authority's Revenue Bonds for the purpose of financing the cost of (1) the acquisition, development, construction, furnishing, and equipping of a student housing facility and related working capital, (2) funding reserve funds and capitalized interest with respect to the bonds, if necessary, and (3) payment of certain costs of issuance of the bonds for the benefit of P3 Foundation Inc. or a related or successor entity, and other matters relating thereto herein specified. (Subject to Mayor's Veto)

Sponsors: Finance Department

Indexes:

Code sections:

Attachments: 1. 26-32 Resolution

Date	Ver.	Action By	Action	Result
1/15/2026	1	City Council	ADOPTED	Pass

REPORT TO THE CITY COUNCIL

FROM: SANTINO DANISI, Finance Director/City Controller
Finance Department

BY: LESLIE VELASQUEZ, Principal Accountant - Debt Administration
Finance Department

SUBJECT

Tax Equity and Financial Responsibility Act (TEFRA) public hearing.
1. TEFRA HEARING - To hear and consider financing of the acquisition, development, construction, furnishing and equipping of a student housing facility and related working capital, The new bond will be issued by the Authority. As a jurisdiction in which the facilities are located, the Council must consider authorizing the Authority to issue the obligations for such purposes.
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necessary, and (3) payment of certain costs of issuance of the bonds for the benefit of P3 Foundation Inc. or a related or successor entity, and other matters relating thereto herein specified. (Subject to Mayor's Veto)

RECOMMENDATION

Adopt the resolution approving the issuance of the Bonds by the California Public Finance Authority (the "Authority"), for the benefit of P3 Foundation Inc., (the "Borrower"), to provide for the financing of the Project, such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and the California Government Code Section 6500 (and following).

EXECUTIVE SUMMARY

The Borrower is seeking to obtain financing and the acquisition, development, construction, furnishing and equipping of a student housing facility (the "Project"). The new bonds will be issued by the Authority. As a jurisdiction in which the facilities are located, the Council must consider authorizing the Authority to issue the 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 Borrower has requested that the Authority participate in the issuance of one or more series of tax-exempt revenue bonds in an aggregate principal amount not to exceed \$80,000,000, (the "Bonds"), pursuant to a plan of financing the Project to be located at located on approximately 0.75 acres at 815, 829 & 835 South Fulton Street, in Council District 3, of the City of Fresno, California (the "City").

An "applicable elected representative" of the jurisdiction in which the Project is to be located is required to approve the proposed plan of finance for the project under section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and the City Council of Fresno (the "City Council") is the elected legislative body of the City and is an "applicable elected representative" for the purposes of Section 147(f) of the Code.

The Authority has requested that the City Council approve the proposed plan of finance in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Joint Exercise of Powers Agreement Relating to the Authority, dated as of January 1, 2004 (the "Agreement"), among certain local agencies, including the City

The Authority is a joint powers authority formed by the County of Kings and the Housing Authority of Kings County. Its purpose is to issue tax-exempt and taxable conduit revenue bonds on behalf of public and private entities across California.

The Borrower will be a limited liability company formed in California whose sole member is P3 Foundation Inc. (the "Sole Member"). The Sole Member was incorporated in North Carolina in 2017 as a nonprofit corporation and is an organization described in Section 501(c)(3) of the Code whose charitable purposes include furthering community development, developing and expanding healthcare, housing and educational facilities and community buildings, and partnering with local government entities to lessen the burdens inherent in the planning and development of public

projects.

Under the Joint Powers Act-specifically Articles 1 through 4 of Chapter 5, Division 7, Title 1 of the California Government Code (beginning with Section 6500)-and Section 145 of the Internal Revenue Code, conduit issuers like the Authority are authorized to issue tax-exempt “private activity” bonds on behalf of 501(c)(3) nonprofit organizations to finance facilities they own. To qualify for tax-exempt status, these bonds, and the facilities they fund must be approved by both (1) the governmental entity issuing the bonds (the Authority) and (2) the governmental entity where the project is located (the City).

In order for all or a portion of the Bonds to qualify as tax-exempt bonds, the City of Fresno must conduct a public hearing (the “TEFRA Hearing”) providing for the members of the community an opportunity to speak in favor of or against the use of tax-exempt bonds for the financing of the Project. Prior to such TEFRA Hearing, reasonable notice must be provided to the members of the community. Following the close of the TEFRA Hearing, an “applicable elected representative” of the governmental unit hosting the Project must provide its approval of the issuance of the Bonds for the financing of the Project.

ENVIRONMENTAL FINDINGS

This item is not a project for purposes of the California Environmental Quality Act (CEQA).

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 Obligations will not constitute indebtedness or obligation of and will not involve a pledge of the good faith and credit of the City. The Obligations will be limited obligations of the Authority payable only from loan repayments to be made to the Authority from certain funds and accounts established by or pursuant to the bond indenture(s) under which the Obligations will be issued. The Authority has no taxing power and the issuance of the Obligations will not obligate the State of California or any political subdivision of the State to levy or pledge any form of taxation for the Obligations or to make any appropriation for the payment of the Obligations.

Attachment: Resolution