



TAX EQUITY AND FISCAL RESPONSIBILITY ACT (TEFRA) PUBLIC HEARING FOR THE ASPIRE AFFORDABLE HOUSING FACILITY

Finance Department

City Council
August 2, 2022

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BACKGROUND

1. Revenue bond financing to fund capital projects
2. Issued by California Public Financing Authority (CalPFA) – a California JPA
3. Bonds related to the acquisition and development of a 33-unit affordable housing facility located at 3861-3893 3rd Street, Riverside.



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TAX-EXEMPT REVENUE BONDS

- Section 147(f) of the IRS Code of 1986 requires any issuance of private activity revenue bonds be approved by the local government entity within which the project is located
- Requires a TEFRA public hearing to allow members of the public to comment on the project
- City must join the CalPFA JPA as a non-charter member – no financial or operational impact
- City is not under any obligation to repay the bonded indebtedness



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TEFRA PUBLIC HEARING

- Request from Aspire, L.P. An entity created by Kingdom Development, Inc.
- Issue revenue or refunding bonds in an amount not to exceed \$16 million.
- Acquisition, construction, development, and outfitting an 33-unit affordable housing facility located at 3861-3893 3rd Street, Riverside.



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STRATEGIC PLAN ALIGNMENT



Strategic Priority No. 2 – Community Well-Being

Goal 2.1 - Facilitate the development of a quality and diverse housing supply that is available and affordable to a wide range of income levels.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability &
Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the City Council:

1. Conduct the Tax Equity and Fiscal Responsibility Act (TEFRA) Public Hearing regarding the issuance of revenue bonds along with the related plan of financing for the acquisition and development of The Aspire, a 33-unit affordable housing project to be located at 3861-3893 3rd Street, Riverside, California;
2. Adopt a resolution authorizing the City of Riverside to join the California Public Finance Authority as a non-charter additional member, and authorizing the issuance of one or more series of revenue bonds in an aggregate amount not to exceed \$16,000,000 by the California Public Financing Authority, on behalf of Aspire, L.P. or another entity created by Kingdom Development, Inc., to provide for the financing of the Project; and
3. Authorize the City Manager, or designee, to execute any supporting documents to effectuate the resolution.



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