



TAX EQUITY AND FISCAL RESPONSIBILITY (TEFRA) PUBLIC HEARING FOR MT. RUBIDOUX MANOR

Community and Economic Development Department

City Council
July 11, 2017

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BACKGROUND

1. Tax-exempt bond financing to fund capital projects
2. Issued by California Municipal Finance Authority
3. Eligible costs include purchase of land, project design costs, construction, rehabilitation, improvement, equipment purchase and installation and legal fees



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TAX-EXEMPT REVENUE BONDS

1. Section 147 (f) of the IRS Code of 1986 requires any issuance of the tax-exempt bonds by the California Municipal Finance Authority to be approved by the local government entity of where the project is located
2. Requires a TEFRA public hearing to allow members of the public to comment on the project
3. City is not under any obligation to repay the bond indebtedness



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TEFRA PUBLIC HEARING

1. Request from Beacon Communities, Inc.,
2. Issue tax-exempt revenue bonds in the amount of \$30 million
3. Funds to be used to acquire and rehabilitate Mt. Rubidoux Manor located at 3933 Tenth Street
188 unit apartment complex



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RECOMMENDATIONS

That the City Council:

1. Conduct the public hearing as required by the Internal Revenue Service Section 147(f) of the Internal Revenue code of 1986;
2. Adopt the resolution in order to authorize the issuance of tax-exempt revenue bonds by the California Municipal Finance Authority, on behalf of Beacon Communities, Inc. for the acquisition and rehabilitation of Mt. Rubidoux Manor affordable multifamily rental housing facility; and
3. Authorize the City Manager or designee to execute all required documents



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