



TAX EQUITY AND FISCAL RESPONSIBILITY ACT (TEFRA) PUBLIC HEARING FOR LA SIERRA UNIVERSITY EDUCATIONAL FACILITIES

Finance Department

City Council
September 17, 2019

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BACKGROUND

1. Revenue bond financing to fund capital projects
2. Issued by California Municipal Finance Authority (CMFA)
3. Proceeds of the Bonds will be used for the acquisition, construction and improvement of educational facilities located at La Sierra University, Riverside.



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TAX-EXEMPT REVENUE BONDS

1. 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
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 bonded indebtedness



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TEFRA PUBLIC HEARING

1. Request from La Sierra University, a nonprofit religious corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986
2. Issue revenue bonds in an amount not to exceed \$11.1 million
3. Funds to be used for the acquisition, construction, and improvement of educational facilities located at 4500 Riverwalk Parkway, Riverside



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RECOMMENDATIONS

That the City Council:

1. Conduct a Tax Equity and Fiscal Responsibility Act (TEFRA) Public Hearing regarding the proposed issuance of revenue bonds to finance or refinance the costs of the acquisition, construction and improvement of certain educational facilities located at 4500 Riverwalk Parkway in the City of Riverside ("the Project");
2. Adopt a resolution to authorize the issuance of revenue bonds in an aggregate amount not to exceed \$11,100,000 by the California Municipal Finance Authority, on behalf of La Sierra University, a California nonprofit religious corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 to provide for the financing of the Project; and
3. Authorize the City Manager, or designee, to execute all required documents and make certain changes as required, including making minor non-substantive changes and/or corrections.

