



TAX EQUITY AND FISCAL RESPONSIBILITY ACT (TEFRA) PUBLIC HEARING FOR A 72-UNIT MULTIFAMILY RENTAL HOUSING FACILITY

Finance Department

City Council
December 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 and construction of a 72-unit multifamily rental housing facility to be located at 3933 Mission Inn Avenue and Fairmount Boulevard



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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 Wakeland Housing and Development Corporation (Sponsor), on behalf of Mission Heritage LP, a California limited partnership, or another entity created by the Sponsor
2. Issue revenue bonds in an amount not to exceed \$32 million
3. Funds to be used for the acquisition and construction, of a 72-unit multifamily rental housing facility located at 3933 Mission Inn Avenue



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RECOMMENDATIONS

That the City Council:

1. Conduct a Tax Equity and Fiscal Responsibility Act Public Hearing regarding the proposed issuance of revenue bonds to finance the acquisition and construction of a 72-unit multifamily rental housing facility to be owned and operated by the Borrower and located at 3933 Mission Inn Avenue and Fairmount Boulevard;
2. Adopt a resolution approving the issuance of revenue bonds by the California Municipal Finance Authority in an aggregate principal amount not to exceed \$32,000,000 to finance a 72-unit multifamily rental housing facility for the benefit of Mission Heritage LP, or another entity created by Wakeland Housing and Development Corporation (or an affiliate), and certain other matters relating thereto; 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.

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