



**TAX EQUITY AND FISCAL RESPONSIBILITY ACT
(TEFRA) PUBLIC HEARING
REGARDING BONDS FOR
MULBERRY GARDENS FAMILY APARTMENTS**

Finance Department

City Council
March 25, 2025

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BACKGROUND

1. Revenue bond financing to fund capital projects
2. Issued by the California Municipal Financing Authority (CMFA)
3. Proceeds of the Bonds will be used to:
 - Finance and refinance the acquisition, construction, development and equipment of a qualified residential project named "Mulberry Gardens"



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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 is not under any obligation to repay the bonded indebtedness



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TEFRA PUBLIC HEARING

- Request from Mulberry Gardens Family LP
- Issue revenue or refunding bonds in an amount not-to-exceed \$65 million
- Acquisition, construction, development and equipping of a 150-unit qualified residential rental project, located at 2560 Mulberry Street



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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 or refunding bonds for the project
2. Adopt a resolution authoring the issuance of revenue or refunding bonds in an amount not-to-exceed \$65 million by the California Municipal Finance Authority, on behalf of Mulberry Gardens LP; and
3. Authorize the City Manager, or his designee, to execute all the required documents, including making minor and non-substantive changes.



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