

TEFRA Public Hearings

Pegasus School
Huntington Pointe Apartments
Hermosa Vista Apartments

June 3, 2019

SUPPLEMENTAL COMMUNICATION

Meeting Date: 6-3-2019

P.H.
Agenda Item No.: #27, #28, #29

19-623, 19-624, 19-625

Tax and Equity Fiscal Responsibility Act (TEFRA)

- ▶ TEFRA is a Federal and State Tax Code, that allows for the issuance or refinancing of bonds, with a portion of the bonds to be tax exempt
- ▶ There is no fiscal impact to the City – the City is a conduit to allow for the tax exempt financing
 - ▶ Bonds are limited obligations of the Issuance Organization (both the California Municipal Finance Authority and the California Statewide Communities Development Authority)
 - ▶ Paid solely by the Requestor
 - ▶ No obligation of the City
 - ▶ Not reported on City's financials



Projects

- ▶ Pegasus School is requesting funding for construction of a science and technology building, remodeling school classrooms and parking improvements and related expenses
- ▶ Huntington Pointe and Hermosa Vista Apartments are existing affordable housing projects and are requesting bond refinancing for the acquisition, rehabilitation and improvements for the properties



Public Hearing

To satisfy the Federal and State tax code, the City is required to:

- ▶ Conduct tonight's public hearing under the requirements of TEFRA and the Internal Revenue Code of 1986;
- ▶ Adopt the Resolutions approving the issuance of the Bonds by both the California Municipal Finance Authority and the California Statewide Communities Development Authority for the financing of the projects.



Questions?

