



TEFRA PUBLIC HEARING QUAIL RUN APARTMENTS 1018 BELLEVUE AVENUE

City Council Meeting
September 10, 2019

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TEFRA PUBLIC HEARING

- ❖ The issuance of private activity revenue bonds must be approved by the governing body in whose jurisdiction the project is located following a public hearing, which is often referred to as a TEFRA Public Hearing because it is held in accordance with the Tax Equity and Fiscal Responsibility Act (“TEFRA”) of 1982, Section 147(f) of the Internal Revenue Code of 1986, as amended.

CURRENT

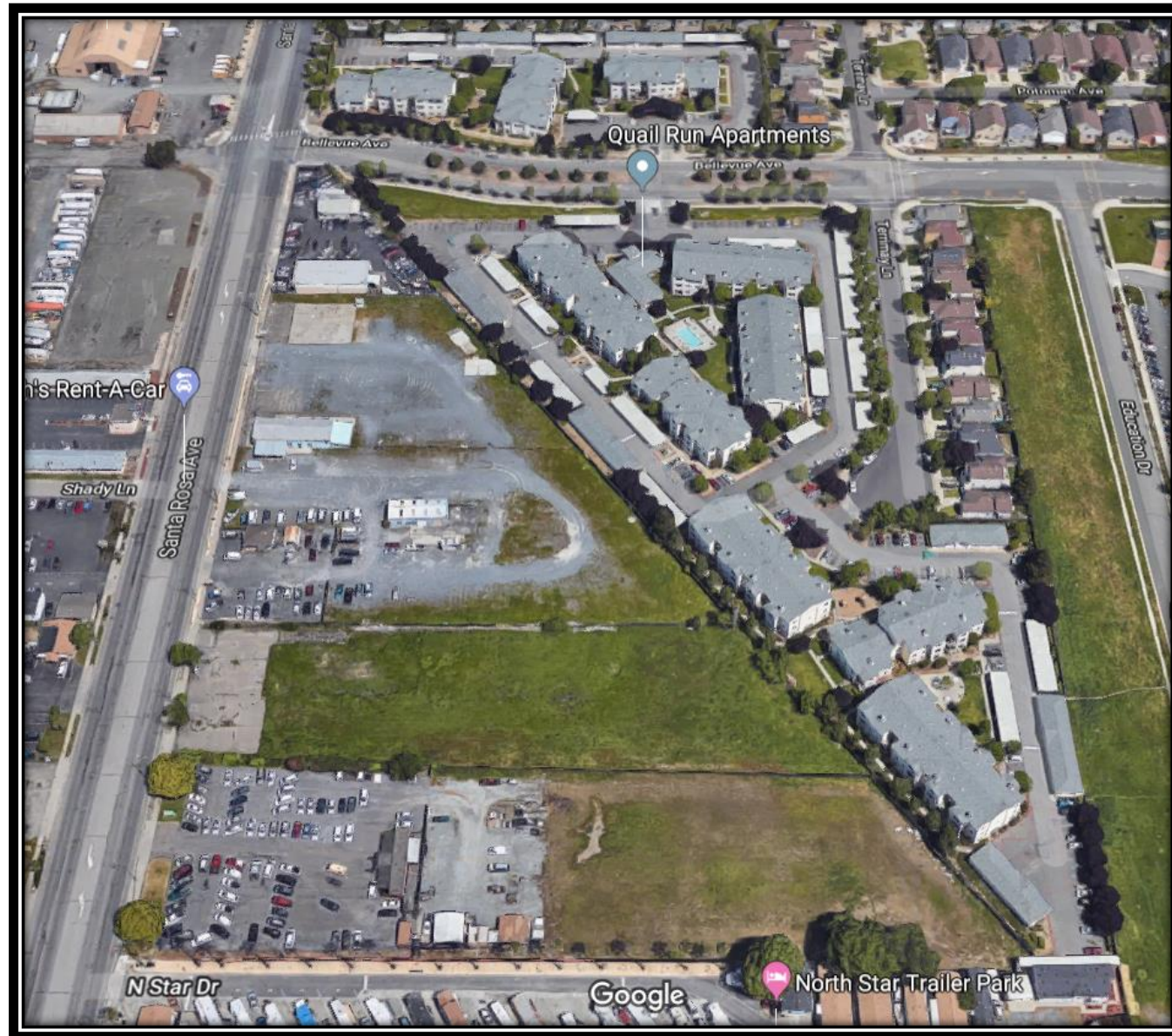
- ❖ Existing 200 multifamily rental units
- ❖ 10 2-story and 3-story walk-up residential buildings
- ❖ 1 community building
- ❖ 48 1-BR units, 64 2-BR units, 76 3-BR units, and 12 4-BR units
- ❖ Constructed in 1999
- ❖ 10 acres
- ❖ 2 Parcels

CURRENT



Quail Run Apartments

CURRENT



Quail Run Apartments

CURRENT

- ❖ 1997 - City issued \$12,850,000 tax-exempt bond for acquisition and construction
- ❖ 1999 - Construction completed
- ❖ 2011 - Owner paid off bonds with new loan
- ❖ Bond regulatory agreement 80 units at 60% AMI; expired in 2016

CURRENT

- ❖ 2014 - Housing Authority \$350,000 loan
- ❖ Started new 55-year term of affordability, 199 units @ 60% AMI with the Housing Authority
- ❖ Eden Housing, Inc. became General Partner and property manager through its affiliates

PROPOSED

- ❖ Acquisition and rehabilitation of Quail Run Apartments
- ❖ Approximately \$88 million total cost
- ❖ Rehabilitation portion is approximately \$20 million
- ❖ Primary financing: tax exempt bond and a new allocation of tax credits
- ❖ Maximum bond issue: \$66 million
- ❖ Eden remains as general partner and property manager through affiliates

PROPOSED

- ❖ Eden has selected the California Municipal Finance Authority (“CMFA”) to be the bond issuer
- ❖ CMFA is a joint powers authority authorized to issue bonds
- ❖ The City of Santa Rosa is a member the joint powers authority

BENEFITS

- ❖ Rehabilitation of 20 year-old property includes:
 - ❖ Exterior stair tower replacement
 - ❖ Compliance with accessibility standards
 - ❖ New roofing
 - ❖ Balcony waterproofing
 - ❖ Energy and water efficient appliances, hot water heaters, lighting

BENEFITS

- ❖ Tax Exempt Revenue Bonds are part of the total financing for acquisition and rehabilitation of this affordable housing development
- ❖ No fiscal impact on the General Fund - all financial costs and repayment obligations are the responsibility of the borrower
- ❖ CMFA shares 25% of its issuance fee with host jurisdiction; City share est. \$18,000

RECOMMENDATION

- ❖ (1) approve the issuance by the California Municipal Finance Authority (CMFA) of tax exempt, multifamily housing revenue bonds in an amount not to exceed \$66 million to finance the acquisition, rehabilitation and associated costs of Quail Run Apartments, 1018 Bellevue Avenue; and (2) appropriate the City's share of CMFA's issuance fee to Fund 2295 – Housing Compliance Fund for affordable housing purposes.