

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: ANGELA MORGAN, PROGRAM SPECIALIST II  
HOUSING AND COMMUNITY SERVICES  
SUBJECT: TEFRA PUBLIC HEARING AND ISSUANCE OF BONDS BY THE  
CALIFORNIA MUNICIPAL FINANCE AUTHORITY IN AN  
AGGREGATE AMOUNT NOT TO EXCEED \$20 MILLION FOR  
PARKWOOD APARTMENTS, AN AFFORDABLE RENTAL  
HOUSING PROJECT LOCATED AT 6899 MONTECITO  
BOULEVARD

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Council: 1) conduct a public hearing under the requirements of the Tax Equity and Fiscal Responsibility Act of 1983 and the Internal Revenue Code of 1986, as amended; and 2) by resolution, approve the issuance of tax exempt multifamily housing revenue bonds by the California Municipal Finance Authority in an aggregate amount not to exceed \$20 million to refinance the acquisition and finance rehabilitation of Parkwood Apartments, an affordable rental housing project located at 6899 Montecito Boulevard, Santa Rosa.

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EXECUTIVE SUMMARY

The issuance of tax exempt, private activity bonds must be approved by the jurisdiction the project is located following a public hearing. BHDC Parkwood Apartments LLC, a California limited liability company ("Borrower") has selected the California Municipal Finance Authority ("CMFA"), a joint-powers authority of which the City is a member, to be the issuer of multifamily housing revenue bonds for Parkwood Apartments, 55 affordable rental units, located at 6899 Montecito Boulevard (the "Project"), in an aggregate amount not to exceed \$20 million, and has requested that the City Council conduct a public hearing in accordance with the Tax Equity and Fiscal Responsibility Act of 1983 ("TEFRA"). A public hearing is required to provide a reasonable opportunity for interested individuals to express their views, orally or in writing, on the proposed issue of bonds and the location and nature of the proposed project to be financed. All financial obligations of the bond issuance are the responsibility of the Borrower. This Item relates to the Council's priority of supporting affordable housing opportunities in Santa Rosa.

## BACKGROUND

Parkwood Apartments is an existing affordable rental housing development that consists of 55 very-low, and low-income households with incomes between 50% and 80% of Area Median Income and two non-restricted units will be reserved for the resident managers. The Project is located at 6899 Montecito Boulevard, Santa Rosa, CA 95401, APN's 183-060-049 (Attachment 1).

The Borrower selected CMFA to issue the bonds and requested that the City Council conduct the TEFRA public hearing (Attachment 2). CMFA is a joint powers agency that promotes economic, cultural and community development, through the financing of economic development and charitable activities, including the issuance of taxable and tax-exempt bonds aimed at improving the standard of living throughout California. The City Council approved joining CMFA as an additional member in January 1, 2004.

## PRIOR CITY COUNCIL REVIEW

Not applicable.

## ANALYSIS

Parkwood Apartments is being financed with tax-exempt bonds issued by CMFA, tax credit equity, a first mortgage loan, and loans by the Housing Authority of the City of Santa Rosa.

The issuance of tax exempt, private activity bonds must be approved by the jurisdiction the project is located following a public hearing in accordance with Internal Revenue Code requirements. A TEFRA public hearing provides a reasonable opportunity for interested individuals to express their views, orally or in writing, on the proposed issue of bonds and the location and nature of the proposed project to be financed.

Without the approval or the TEFRA public hearing, the California Debt Limit Allocation Committee will not allocate tax exempt bonds to the Project which are an essential component of the Project financing.

## FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund. The bonds and the obligation to pay principal and interest and any redemption premium will not constitute indebtedness or an obligation of the City. The City will not have any obligation to repay the bonds or to acquire, construct, improve, equip or operate the Project.

Financing documents with respect to the issuance of the bonds will contain clear disclaimers that the bonds are not obligations of the City but are to be paid for solely from funds provided by the Borrower. All financial obligations for the bonds and all fees and costs associated with the bonds will be the sole responsibility of the Borrower.

### ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 because it consists of the modification and minor alteration of an existing facility and no expansion of use is proposed. Therefore, no further environmental review is necessary.

### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

### NOTIFICATION

A public hearing notice was published in the Press Democrat on July 6, 2021.

### ATTACHMENTS

- Attachment 1 – Locational Graphic
- Attachment 2 – Request from Burbank Housing Development Corporation for the TEFRA public hearing
- Resolution

### CONTACT

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