



The City of Colusa, California

STAFF REPORT

DATE: April 4, 2023

TO: The Honorable Mayor Ponciano and Members of The City of Colusa City Council

FROM: Mathew Fontes, Senior Planner—through Mr. Jesse Cain, City Manager

AGENDA ITEM: Rancho Colus Tax Equity and Fiscal Responsibility Act (“TEFRA”) Bonds

Subject: Rancho Colus TEFRA Bonds

RECOMMENDATION: Adopt Resolution No._____, a Resolution approving, authorizing and directing execution of a joint exercise of powers agreement relating to the California Municipal Finance Authority and approving the issuance of exempt facility bonds for a qualified residential rental project by the authority for the purpose of financing or refinancing the acquisition, construction and improvement of certain facilities for the benefit of Rancho Colus LP.

BACKGROUND ANALYSIS: TEFRA requires that a public hearing be held by the governing body of the jurisdiction in which a project to be financed with tax-exempt financing is located, and that the governing body approve the proposed Financing. Building Better Partnerships, Inc. has asked that the California Municipal Finance Authority (the “CMFA”) be the issuer of tax-exempt financing in an amount not to exceed \$16,000,000 to finance the acquisition, construction, improvement and equipping of a multifamily rental housing project located at 1717 State Highway 20, Colusa, California. The CMFA is a joint powers authority formed to assist local governments, non-profit organizations, and businesses with the issuance of both taxable and tax-exempt debt. The debt to be issued by the CMFA will be the sole responsibility of the Borrower and the City of Colusa will have no financial or legal obligations or responsibilities with regard to the repayment of the debt. All financing documents will carry disclaimers that the loan is not an obligation of the City. The City will also bear no costs in the issuance of the proposed debt. It is recommended that the City Council adopt a resolution approving the issuance of bonds by the CMFA for the benefit of the Borrower. Such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code, and the California Government Code Section 6500. The resolution will also authorize the mayor or designee thereof to execute the Joint Exercise of Powers Agreement with the CMFA.

BUDGET IMPACT: None.

STAFF RECOMMENDATION: Staff recommends that the City Council consider the analysis, staff report, and public testimony. Should the City Council support such analysis and the proposed project,

staff recommends that the City Council follow the “Requested Actions” on the first page of this staff report.

ATTACHMENT(S):

1. Resolution No. ____.

Approving, authorizing and directing execution of a joint exercise of powers agreement relating to the California Municipal Finance Authority and approving the issuance of exempt facility bonds for a qualified residential rental project by the authority for the purpose of financing or refinancing the acquisition, construction and improvement of certain facilities for the benefit of Rancho Colus LP.

2. Agreement.

Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority

/s/ Mathew Fontes

Mathew Fontes, Senior Planner
The City of Colusa