



Folsom City Council Staff Report

MEETING DATE:	4/9/2024
AGENDA SECTION:	Public Hearing
SUBJECT:	Resolution No. 11182- A Resolution of the City Council of the City of Folsom Approving the Issuance of the California Statewide Communities Development Authority of Tax-exempt Multifamily Housing Revenue Bonds for Vintage at Folsom
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

1. Conduct a Tax Equity and Fiscal Responsibility Act Hearing in consideration of the issuance of tax-exempt bond financing by the California Statewide Communities Development Authority for the benefit of Vintage at Folsom, LP, to provide financing for the acquisition, construction, improvement, and equipping of a 136-unit senior multifamily rental housing project generally known as Vintage at Folsom Apartments.
2. Move to adopt Resolution No.11182 - A Resolution of the City Council of the City of Folsom Approving the Issuance of the California Statewide Communities Development Authority of Tax-exempt Multifamily Housing Revenue Bonds for Vintage at Folsom.

BACKGROUND / ISSUE

On February 15, 2023, the Planning Commission approved a Conditional Use Permit, Planned Development Permit, and Density Bonus for the Vintage at Folsom Apartments Project (the "Project"). The Planning Commission Decision was appealed to the City Council. On March 28, 2023, the City Council denied the appeal.

The Vintage at Folsom multifamily project is a new construction, 100 percent affordable age-restricted multifamily rental development proposed on the 4.86-acre site located at 103 East Natoma Street. The approved project consists of 136 one- and two-bedroom units affordable to low-, very-low, and extremely-low-income senior households.

FIGURE 1: VINTAGE AT FOLSOM PROJECT SITE AERIAL PHOTOGRAPH



Vintage at Folsom, LP, (the “Borrower”) has requested that the California Statewide Communities Development Authority (“CSCDA”) serve as the municipal issuer of tax-exempt multi-family housing revenue bonds in an aggregate principal amount not to exceed \$30,000,000 (the “Bonds”). The proceeds of the Bonds will be used for the purpose of making a loan to the Borrower, to enable the Borrower to finance the acquisition, construction, improvement and equipping of the 136-unit senior affordable multifamily housing rental project, which will be owned and operated by the Borrower.

On December 6, 2023 the project received an award of private activity bond allocation from the California Debt Limit Allocation Committee.

The City Council is being asked to adopt a resolution that would approve the issuance of tax-exempt bonds by the CSCDA, a joint powers authority, for the Project.

POLICY / RULE

Section 147(f) of the Internal Revenue Code of 1986 (the "Code") requires that prior to their issuance, the Bonds are required to be approved by the "applicable elected representative" of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice.

ANALYSIS

In order for all or a portion of the Bonds to qualify as tax-exempt bonds, the City of Folsom ("City") must conduct a public hearing (the "TEFRA Hearing") providing the members of the community an opportunity to speak in favor of or against the use of tax-exempt bonds for the financing of the Project. Adoption of the resolution is solely for the purposes of satisfying the requirements of the Tax Equity and Fiscal Responsibility Act (TEFRA), the Internal Revenue Code and the California Government Code Section 6500 (and following). Prior to such TEFRA Hearing, reasonable notice must be provided to the members of the community. Following the close of the TEFRA Hearing, an "applicable elected representative" of the governmental unit hosting the Project must provide its approval of the issuance of the Bonds for the financing of the Project. A public notice was published on March 29, 2024.

CSCDA is a joint powers authority sponsored by the League of California Cities ("League") and the California State Association of Counties ("CSAC"). CSCDA was created by the League and CSAC in 1988 to enable local government and eligible private entities access to low-cost, tax-exempt financing for projects that provide a tangible public benefit, contribute to social and economic growth, and improve the overall quality of life in local communities throughout California. CSCDA is comprised of more than 530 members, including the City of Folsom. CSCDA has issued more than \$75 billion through 1,800+ financings since 1988 and consistently ranks in the top 10 of more than 3,000 nationwide public issuers of tax-exempt debt, as measured by annual issuance amount.

FINANCIAL IMPACT

There is no fiscal impact to the City. The Bonds will be issued as limited obligations of CSCDA, payable solely from revenues and receipts derived from a loan to be made by CSCDA to the Borrower with the Bond proceeds. The City bears no liability with respect to the issuance of the Bonds. Further, the City is not a party to any of the financing documents related to the Bond issuance and is not named in any of the disclosure documents describing the Bonds or the proposed financing.

ENVIRONMENTAL REVIEW

An Initial Study, Mitigated Negative Declaration, and Mitigation Monitoring and Reporting Program for the Project have been previously approved in accordance with the requirements of the California Environmental Quality Act. No additional environmental review is required.

ATTACHMENT

Resolution No. 11182 - A Resolution of the City Council of the City of Folsom Approving the Issuance of the California Statewide Communities Development Authority of Tax-exempt Multifamily Housing Revenue Bonds for Vintage at Folsom

Submitted,

A handwritten signature in blue ink, appearing to read "Pam Johns", with a long horizontal flourish extending to the right.

Pam Johns, Community Development Director

RESOLUTION NO.11182

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM
APPROVING THE ISSUANCE BY THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY OF TAX-EXEMPT
MULTIFAMILY HOUSING REVENUE BONDS FOR VINTAGE AT
FOLSOM**

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized pursuant to the provisions of California Government Code Section 6500 et seq. and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the City of Folsom (the "City"), to issue revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of financing multifamily rental housing projects; and

WHEREAS, Vintage at Folsom, LP or a partnership of which Vintage Housing Development, Inc. (the "Developer") or a related person to the Developer is the general partner, has requested that the Authority adopt a plan of financing providing for the issuance of tax-exempt multifamily revenue bonds in one or more series issued from time to time, including bonds issued to refund such tax-exempt multifamily revenue bonds in one or more series from time to time, and at no time to exceed \$30,000,000 in outstanding aggregate principal amount (the "Bonds"), to finance or refinance the acquisition, construction and development of a senior multifamily rental housing project located at 103 East Natoma Street, Folsom, California (the "Project"); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), prior to their issuance, the Bonds are required to be approved by the "applicable elected representative" of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the members of this City Council (this "City Council") are the applicable elected representatives of the City; and

WHEREAS, there has been published, at least 7 days prior to the date hereof, in a newspaper of general circulation within the City, a notice that a public hearing regarding the Bonds would be held on a date specified in such notice; and

WHEREAS, such public hearing was conducted on such date, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

WHEREAS, the Authority is also requesting that the City Council approve the issuance of any refunding bonds hereafter issued by the Authority for the purpose of refinancing the Bonds which financed the Project (the "Refunding Bonds"), but only in such cases where federal tax laws would not require additional consideration or approval by the City Council; and

WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the Bonds required by Section 147(f) of the Code and Section 9 of the Agreement;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Folsom as follows:

Section 1. The above recitals are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds and the Refunding Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitutes approval of the Bonds for the purposes of (a) Section 147(f) of the Code and (b) Section 9 of the Agreement.

Section 3. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing approved hereby.

Section 4. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 9th day of April 2024, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK