



**City of Grass Valley
City Council
Agenda Action Sheet**

Title: Conduit Financing for the Spring Hill Gardens Apartments Project

CEQA: Not a Project

Recommendation: That the council 1) Conduct the public hearing under the requirements of TEFRA and the Internal Revenue Code of 1986, as amended (the “Code”) & 2) Adopt Resolution No. 2026-07 approving the issuance of the Bonds by the California Municipal Finance Authority (CMFA) for the benefit of Springhill Gardens Associates, L.P., a California limited partnership (the “Borrower”), to provide for the financing of the Project, such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and the California Government Code Section 6500 (and following).

Prepared by: Jennifer Styczynski, Finance Director

Council Meeting Date: 03/24/2026

Date Prepared: 03/16/2026

Agenda: Public Hearing

Background Information: The Borrower has requested that the CMFA undertake a proposed plan of finance to issue and reissue from time to time one or more series of revenue bonds in an outstanding principal amount not to exceed \$7,000,000 to finance and refinance the acquisition and rehabilitation of a 121-unit qualified residential rental project to be owned and operated by the Borrower and located at 244 Dorsey Drive within the City of Grass Valley, California.

In order for all or a portion of the Bonds to qualify as tax-exempt bonds, the City of Grass Valley must conduct a public hearing (the “TEFRA Hearing”) providing for 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. 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 TEFRA hearing was held and a Resolution approved by the City Council on 1/18/2008. The Borrower has now asked for an extension to the maturity date of the bonds. This extension will trigger a reissuance of the bonds in order to make the change to the original term of maturity. Because of this technical reissuance, there is a federal requirement that another TEFRA hearing take place and Resolution be approved.

The CMFA was created on January 1, 2004, pursuant to a joint exercise of powers agreement to promote economic, cultural and community development, through the financing of economic development and charitable activities throughout California. To date, over 350 municipalities, including the City, have become members of CMFA.

The CMFA was formed to assist local governments, non-profit organizations and businesses with the issuance of taxable and tax-exempt bonds aimed at improving the standard of living in California. The CMFA's representatives and its Board of Directors have considerable experience in bond financings.

The Joint Exercise of Powers Agreement provides that the CMFA is a public entity, separate and apart from each member executing such agreement. The debts, liabilities and Bonds of the CMFA do not constitute debts, liabilities or Bonds of the members executing such agreement.

Council Goals/Objectives: The adoption of Resolution No. 2026-04 approving the issuance of Bonds by CMFA for the benefit of Springhill Gardens Associates supports the 2022 Strategic Plan Update Goal # 5: the City of Grass Valley strives to exemplify an innovative, efficient, effective, open and collaborative city government.

Fiscal Impact: The Bonds to be issued by the CMFA for the Project will be the sole responsibility of the Borrower, and the City will have no financial, legal, moral obligation, liability or responsibility for the Project or the repayment of the Bonds for the financing of the Project. All financing documents with respect to the issuance of the Bonds will contain clear disclaimers that the Bonds are not Bonds of the City or the State of California but are to be paid for solely from funds provided by the Borrower.

Funds Available: N/A

Account #: N/A

Reviewed by: Interim City Manager

Attachment: Resolution No. 2026-07