VILLAGE EAST APARTMENTS – TEFRA PUBLIC HEARING

Stockton City Council
March 29, 2016
Agenda Item 16.1
Background

• California Public Finance Authority (CalPFA) has requested approval to issue up to $16 million in Multifamily Housing Revenue Bonds on behalf of New Village East, LP
  • City must become a member to allow bond issuance
    • No cost to join and City incurs no liability or risk
  • CalPFA created in 2015
  • Currently has seven members
  • Stockton is currently a member of:
    • California Statewide Communities Development Authority (CSCDA)
    • ABAG Finance Authority
    • California Municipal Finance Authority
TEFRA Hearing

• City Council approval is required by Tax and Equity Fiscal Responsibility Act (TEFRA), Section 147(f) of the Internal Revenue Code
  • Role of Council is to certify public benefit of project for the purpose of facilitating financing
  • *The City incurs no debt or liability with the approval of the issuance of the Revenue Bonds*

• Public Notice –
  • Notice of hearing published in *The Record* on March 14, 2016
The Project – Public Benefit

• Village East Apartments
  • 189 unit complex located at 2501 East Lafayette Street
  • Constructed in 1964, rehabilitation in 2004
  • Being acquired by New Village East, LP
    • Partnership between The John Stewart Company and Affordable Housing CDC (AHCDC)
    • Will provide affordable rents for low-income households
    • No City financing for past or proposed project

• Proposing major rehabilitation project
  • Estimated cost of $10.2 funded with 4 percent Low Income Housing Tax Credits and Multifamily Housing Revenue Bonds
  • Rehabilitation will bring property into compliance with HUD standards
Project Site
Recommendations

Adopt a resolution:

1. Approving the issuance of bonds by CalPFA in an amount not to exceed $16 million on behalf of New Village East, LP;

2. Authorizing the City to become a member of CalPFA; and

3. Authorizing the City Manager, or his designee, to take actions necessary and appropriate to carry out the purpose and intent of the resolution.