

Tax Equity and Fiscal Responsibility Act (TEFRA) Public Hearing Related to the Villa Raymond Apartments

Presented by:

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City Council – Item 9





TEFRA Hearing – The Villa Raymond Apartments

FINANCE DEPARTMENT

- The Standard Villa Raymond Venture LP requested California Municipal Finance Authority (CMFA) to issue a not to exceed \$30 million tax-exempt bonds for the purpose of financing, refinancing all or any portion of the acquisition, rehabilitation, construction, improvement, renovation and equipping of the multifamily housing project at 455 N. Raymond Ave.



TEFRA Hearing – The Villa Raymond Apartments

FINANCE DEPARTMENT

- CMFA is a joint powers authority that serves as issuer of conduit bonds. Pasadena is a member of the CMFA whose sole purpose is to finance projects that promote economic development through the issuance of bonds.
- In order for the obligation to qualify as tax-exempt bonds, the local agency in which the project is located is required to hold a TEFRA hearing and approve the bonds for state and federal tax law.



TEFRA Hearing – The Villa Raymond Apartments

FINANCE DEPARTMENT

- There is no fiscal impact to the City. The TEFRA hearing is required under Section 147(f) of the Internal Revenue Code.
- The City of Pasadena does not bear any responsibility for the tax exempt status of the bonds, the debt service on the bonds nor any other matter related to the bonds.