

STAFF REPORT

DATE: October 6, 2026

TO: City Council

FROM: Dana Bailey, Social Services and Housing Director
Kelly Stachowicz, Assistant City Manager

SUBJECT: TEFRA (Tax Equity and Fiscal Responsibility Act) Hearing: Davis TRIO Mutual Housing Associates LP

Recommendation

1. Conduct the public hearing under the requirements of TEFRA (Tax Equity and Fiscal Responsibility Act) and the Internal Revenue Code 1986, as amended (the "Code"); and
2. Adopt the resolution (Attachment 1) approving the issuance of revenue bonds by the California Public Finance Authority (CalPFA) for the benefit of Davis TRIO Mutual Housing Associates LP, to provide for reinvestment in Moore Village, Tremont Green, and Twin Pines and requesting to join CalPFA as an Additional Member. Such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and the California Government Code Section 6500.

Fiscal Impact

There is no direct fiscal impact to the City, other than staff time to interface with the developers and prepare the TEFRA materials.

There is no cost to join CalPFA (nor any ongoing requirements of Additional Members). CalPFA offers a Community Benefit Program, where 10% of administrative fees are shared with the Additional Member. Any fees received would be remitted to the affordable housing fund.

The bonds to be issued by CalPFA 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 obligations of the City of the State of California, but are to be paid for solely from funds provided by the Borrower.

Council Goal (s)

Housing

Commission Input

This item requires public hearing and approval by the City Council.

Background and Analysis

Proposed Project

The applicant (Davis TRIO Mutual Housing Associates LP) requests a public hearing under the Tax and Equity Fiscal Responsibility Act (TEFRA) in connection with the proposed issuance of revenue bonds by the California Public Finance Authority (CalPFA) a joint exercise of powers authority and public entity of the State of California, in an aggregate principal amount not to exceed \$15,000,000 of tax-exempt revenue bonds.

The proceeds of the Bonds will be used to reinvest in the following multifamily rental housing facilities in Davis, California:

- (1) Twin Pines Apartments, 3333 F Street, consisting of 36 units. Bond proceeds not to exceed \$3,200,000.
- (2) Tremont Green, 5663 Marden Street, consisting of 36 units. Bond proceeds not to exceed \$3,200,000.
- (3) Moore Village, 2444 Moore Boulevard, consisting of 59 units. Bond proceeds not to exceed \$5,200,000.

These properties serve income-qualified households at extremely low, low and very low-income levels. Twin Pines came online in 1998, Tremont Green in 2003, and Moore Village in 2004. All are in need of rehabilitation improvements to ensure their long-term viability and affordability.

The City's involvement is limited to holding the TEFRA hearing and adopting a resolution to meet federal requirements. In addition, because the applicant is financing the bonds through CalPFA, the City must join CalPFA as an Additional Member.

TEFRA Hearing

In order for all or a portion of the Bonds to qualify as tax-exempt bonds, the City of Davis must conduct a public hearing (the "TEFRA Hearing") providing 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 the TEFRA Hearing, reasonable notice must be provided to the members of the community, which the City has completed (Attachment 2). 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 (Attachment 1).

CalPFA

CalPFA was established in May 2015, under a Joint Exercise Powers Agreement. Its purpose is to support economic, cultural and community development by assisting local governments, nonprofit organizations, and businesses with the issuance of taxable and tax-exempt bonds. These efforts aim to improve the standard of living throughout California. Over 50 local agencies are members of CalPFA. CalPFA is a public entity, separate from its member agencies, and the debts, liabilities and obligations of CalPFA are not those of its members.

ENVIRONMENTAL DETERMINATION:

No environmental review is necessary

Attachments

1. Resolution TEFRA Hearing
2. TEFRA Public Notice

RESOLUTION NO. 26-XXX, SERIES 2026

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS
APPROVING THE ISSUANCE BY THE CALIFORNIA PUBLIC FINANCE AUTHORITY
OF EXEMPT FACILITY BONDS FOR A QUALIFIED RESIDENTIAL RENTAL
PROJECT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$15,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE
ACQUISITION AND REHABILITATION OF DAVIS TRIO AND CERTAIN OTHER
MATTERS RELATING THERETO**

WHEREAS, Davis Trio Mutual Housing Associates, LP or a partnership of which Mutual Housing California (the "Developer") or a related person to the Developer is the general partner, has requested that the California Public Finance Authority (the "Authority") adopt a plan of financing providing for the issuance of exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Internal Revenue Code of 1986 (the "Code") in one or more series issued from time to time, including bonds issued to refund such exempt facility bonds in one or more series from time to time, and at no time to exceed \$15,000,000 in outstanding aggregate principal amount (the "Bonds"), to finance or refinance the acquisition, rehabilitation, improvement and equipping of the following multifamily rental housing facilities: (1) Twin Pines Apartments, 3333 F Street, Davis, California, consisting of 36 units (Bond proceeds in an amount not to exceed \$3,200,000), (2) Tremont Green, 5663 Marden Street, Davis, California, consisting of 36 units (Bond proceeds in an amount not to exceed \$3,200,000), and (3) Moore Village, 2444 Moore Boulevard, Davis, California, consisting of 59 units (Bond proceeds in an amount not to exceed \$5,200,000) (the "Project"); and

WHEREAS, the Project is located within the City of Davis (the "City"); and

WHEREAS, the City proposes to become an Additional Member of the Authority pursuant to Section 12 of the Joint Exercise of Powers Agreement (the "Agreement") relating to the California Public Finance Authority; and

WHEREAS, pursuant to Section 147(f) of the Code, the issuance of the Bonds by the Authority must be approved by the City because the Project is located within the territorial limits of the City; and

WHEREAS, the City Council of the City (the "City Council") is the elected legislative body of the City and is the applicable elected representative under Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority; and

WHEREAS, the City Council understands that its actions in holding this public hearing and in approving this Resolution do not obligate the City in any manner for payment of the principal, interest, fees or any other costs associated with the issuance of the Bonds,

and said City Council expressly conditions its approval of this Resolution on that understanding.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Davis does hereby resolve as follows:

SECTION 1. The City Council hereby finds that the foregoing recitals are true and correct.

SECTION 2. The City hereby requests to become an Additional Member of the Authority pursuant to Section 12 of the Agreement. The Agreement is hereby approved and the Mayor of the City and all other proper officers and officials of the City, or a designee thereof, are hereby authorized and directed to execute the Agreement.

SECTION 3. The City Council hereby approves the issuance of the Bonds by the Authority for the purposes of financing the Project. It is the purpose and intent of the City Council that this Resolution constitute approval of the issuance of the Bonds by the Authority for the purpose of Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located.

SECTION 4. The officers of the City Council are hereby authorized and directed, jointly and severally, to do any and all things and execute and deliver any and all documents, certificates and other instruments which 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 transaction approved hereby. Any actions heretofore taken by such officers are hereby ratified and approved.

SECTION 5. The City Council expressly conditions its approval of this Resolution on its understanding that the City shall have no obligation whatsoever to pay any principal, interest, fees or any other costs associated with the Authority's issuance of the Loan for the financing of the Project.

SECTION 6. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Davis on this 6th day of October, 2026, by the following vote:

AYES:

NOES:

Donna Neville
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk



NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on October 6, 2026 a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986 will be held with respect to the proposed issuance by the California Public Finance Authority (the "Authority") of its revenue bonds in one or more series in an amount not to exceed \$15,000,000, including but not limited to revenue bonds issued as part of a plan to finance the facilities described herein (the "Bonds").

The proceeds of the Bonds will be used to finance or refinance the acquisition, rehabilitation, improvement and equipping of the following multifamily rental housing facilities in Davis, California:

- (1) Twin Pines Apartments, 3333 F Street, consisting of 36 units
- (2) Tremont Green, 5663 Marden Street, consisting of 36 units
- (3) Moore Village, 2444 Moore Boulevard, consisting of 59 units

The facilities are to be owned and operated by the Davis Trio Mutual Housing Associates, L.P., or another limited partnership to be established by Mutual Housing California, or an affiliate of either (collectively, the "Borrower").

The Bonds and the obligation to pay principal thereof and interest thereon and any redemption premium with respect thereto do not constitute indebtedness or an obligation of the City of Davis, the Authority, the State of California or any political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them. The Bonds shall be a limited obligation of the Authority, payable solely from certain revenues duly pledged therefor and generally representing amounts paid by the Borrower.

The hearing will commence at 6:30 p.m. or as soon thereafter as the matter can be heard, and will be held in the Community Chambers, City of Davis, 23 Russell Boulevard, Davis, California. Interested persons wishing to express their views on the issuance of the Bonds or on the nature and location of the facilities proposed to be financed may attend the public hearing or, prior to the time of the hearing, submit written comments.

Additional information concerning the above matter may be obtained from, and written comments may be submitted by email to CityCouncilMembers@cityofdavis.org or addressed to, City Clerk, City of Davis, 23 Russell Boulevard, Suite 1, Davis, California 95616. Staff reports for the public hearing are generally available five (5) days before the hearing date and on the City's website at <https://www.cityofdavis.org/city-hall/city-council-meetings/agendas#>

Dated: September 27, 2026

530-757-5623 | affordablehousing@cityofdavis.org  
23 Russell Boulevard, Davis, CA 95616
Attn: Affordable Housing Manager

CITYOFDAVIS.ORG