



City of Petaluma

Community Development Department

Tax Equity and Fiscal Responsibility Act (TEFRA)

Public Hearing related to Affordable Rental Housing Facility, Downtown River Apartments

September 18, 2023

City Council – Item 12



TEFRA Public Hearing – Downtown River

- The developer Eden Housing, Inc. requested California Municipal Finance Authority (CMFA) to issue up to \$35 million bonds for the purposed finance and refinance of the acquisition, rehabilitation and improvement of Downtown River, a 81-unit multifamily low-income rental housing facility
- 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 law
- 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 Petaluma does not bear any responsibility for the tax-exempt status of the bond, the debt service on the bonds, nor any other matter related to the bonds.



Downtown River Community Composition

	Existing	After Rehabilitation
Total Units	81	87
ADU's (1 bedroom)	0	6
1 Bedroom	8	14*
2 Bedrooms	49	49
3 Bedrooms	24	24
# Commercial Spaces / Sq footage	3 total spaces equaling 5210 sq feet	1 commercial space approx. 1700 sq ft



Downtown River Apartments



TEFRA Public Hearing – Downtown River Capital Stack

	Construction Financing Stage	Permanent Financing Stage
Conventional Lender	\$25,999,837	\$8,49,0000
Tax Credit Equity	\$2,157,028	\$21,570,276
City of Petaluma HOME	\$5,826,154	\$5,826,154
City of Petaluma Housing Program Loan	\$6,182,119	\$6,182,119
Petaluma Community Development Commission	\$26,307	\$26,307
Cost Deferred until Conversion	\$2,262,411	
Neighbor Works	\$3,000,000	\$3,000,000
Seller Carryback	\$5,115,760	\$5,115,760
Deferred Developer Fee	\$2,970,627	\$2,970,627
General Partners – Capital Reserves	\$214,228	\$214,228
Total Costs	\$53,754,471	\$53,754,471



Questions – Comments Recommendations

- ◆ Hold a Public Hearing to receive community feedback, comments
- ◆ Consideration of Resolution approving issuance of revenue bonds by CMFA for the benefit of Downtown River Apartments

