TEFRA Tax Exempt Multifamily Housing Revenue Bonds UCA and UCE Apartments

City Council

July 21, 2026

Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA)

TEFRA

- Federal law requiring a public hearing before tax exempt bonds can be issued
- Ensures the public hearing
- Requires approval by elected governing body
- Creates no financial obligation or liability for the City.

California Statewide Communities Development Authority (CSCDA)

- A Joint Powers Authority (JPA) that issues tax exempt bonds
- Provides financing for affordable housing
- Serves as a conduit bond issuer
- The developer, not the City, is responsible for repaying the bonds.

Project Overview UCE and UCA Apartment Homes - TEFRA Financing

- Foothill Affordable Housing Foundation
- Acquisition and preservation of two multifamily communities adjacent to CSUF
  - UCE : 147 units   600 Langsdorf Drive
  - UCA: 248 units 2404 Nutwood Avenue
- Total: 395 existing units preserved as affordable housing
- CSCDA 501(C)(3) tax exempt conduit bond financing.

Affordability and Preservation Plan

- 55-year regulatory agreement
- Conversion from market rate to income restricted housing
- 40% of units 60% AMI
- 60% of units 80% AMI
- Conversion of 395 market rate units to 100% restricted affordable housing units.

Property Tax and TEFRA Context

- TEFRA approval does not create a tax exemption
- No change to assessed value or tax roll
- Federal procedural requirement only
- Any exemption (e.g., Welfare Exemption) determined by County Assessor
- City has no role in tax exemption determinations.

Project Summary

- Preserves 395 existing apartment homes as affordable housing
- Establishes a 55-year affordability covenant with income restrictions
- City limited to satisfying the federal TEFRA approval requirement
- City does not approve the development or create any financial obligation
- No impact to the City's general fund, credit or assets
- TEFRA does not grant a property tax exemption
- Community benefit – expand multifamily housing and supports Housing Element.

Recommended Action

- Adopt the TEFRA Resolution authorizing CSCDA to issue tax-exempt conduit bonds not to exceed $180 million for the acquisition and preservation of UCE and UCA Apartment Homes