



Good Neighbors

San Diego  
Housing Commission

- 1625 Newton Avenue
- San Diego, California 92113-1038
- 619/231 9400
- FAX: 619/544 9193

# REPORT

**DATE ISSUED:** November 19, 2004

**ITEM 103**

**REPORT NO.:** HCR04-94 (Supplemental)  
For the Agenda of November 19, 2004

**SUBJECT:** Proposed Loan and Final Authorization to Issue Multifamily Housing Revenue Bonds for the Hillside Gardens Apartments (Council District 7)

## SUMMARY

**Issue:** Should the Housing Commission recommend Housing Authority approval of a financing plan for the acquisition, rehabilitation, and preservation of 76 units of affordable housing located at 5802 University Avenue?

**Recommendation:** That the City Council hold a public hearing (*known as a TEFRA hearing - Tax Equity and Fiscal Responsibility Act*) and adopt a resolution approving the issuance of approximately \$12 million in bonds by the Housing Authority to refund the bonds currently outstanding on the Hillside Gardens Apartments.

On July 27, 2004, the City Council held a TEFRA hearing and approved a TEFRA resolution for the Hillside Gardens Apartments. The original TEFRA resolution was for the \$27 million in new bonds for the project. Staff is also recommending that \$12 million in bonds be issued to refund the bonds currently outstanding on the project. To comply with Internal Revenue Service requirements, the refunding bonds must be issued initially as taxable bonds, but can be converted to tax-exempt within 90 days of the redemption. In order for the conversion from taxable to tax-exempt to occur, a TEFRA hearing and resolution must be approved. The credit enhancement provider (Fannie Mae) is requiring that the TEFRA hearing and resolution be approved prior to the bond closing. To permit a bond closing this calendar year, it is recommended that the City Council hold the TEFRA hearing and approve the TEFRA resolution at its December 7th meeting.

Respectfully submitted,

Approved by,

Cissy Fisher  
Director of Housing Finance & Development

Elizabeth C. Morris  
President & Chief Executive Officer

**Signature on File  
With Original Document**



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