

We are here this evening to conduct a public hearing pursuant to the federal Tax Equity and Fiscal Responsibility Act or TEFRA. TEFRA requires that a public hearing be held by the governing body of the jurisdiction in which a project to be financed with tax-exempt financing is located, and that the governing body approve the proposed Financing.

DFA Development, LLC has asked that the California Municipal Finance Authority (the "CMFA") be the issuer of tax-exempt financing in an amount not to exceed \$5,700,000 to finance the acquisition, and rehabilitation of a 56-unit affordable rental housing facility for low-income households located at 311 Walnut Street, in the City of Fort Bragg.

The CMFA is a joint powers authority formed to assist local governments, non-profit organizations, and businesses with the issuance of both taxable and tax-exempt debt.

**The debt to be issued by the CMFA will be the sole responsibility of the Borrower and the City of Fort Bragg will have no financial or legal obligations or responsibilities with regard to the repayment of the debt. All financing documents will carry disclaimers that the loan is not an obligation of the City. The City will also bear no costs in the issuance of the proposed debt.**

It is recommended that the City Council adopt a resolution approving the issuance of bonds by the CMFA for the benefit of the Borrower. Such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code, and the California Government Code Section 6500.