CITY OF POMONA
COUNCIL REPORT

July 20, 2026

To: Honorable Mayor and Members of the City Council

From: Andrew Mowbray, Finance Director/City Treasurer

SUBJECT: **PUBLIC HEARING – CONSIDERATION OF A RESOLUTION APPROVING CONDUIT FINANCING FOR THE TERRAMONTE AT FOOTHILL APARTMENTS PROJECT**

RECOMMENDATION:

It is recommended that the City Council conduct a public hearing under the requirements of the Tax and Equity Fiscal Responsibility Act (TEFRA) and the Internal Revenue Code of 1986 to receive testimony and comments and, upon concluding the hearing, adopt the following resolution:

> **RESOLUTION NO. 2026-77 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY QUALIFIED 501(C)(3) BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $70,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, REHABILITATION, IMPROVEMENT AND EQUIPPING OF TERRAMONTE AT FOOTHILL AND CERTAIN OTHER MATTERS RELATING THERETO**

EXECUTIVE SUMMARY: That the City Council conduct a TEFRA public hearing and adopt the resolution in favor of the issuance of the bonds by the California Municipal Finance Authority (the “CMFA”).

SB1439/GOVERNMENT CODE §84308 APPLICABILITY:

☒ When this box is checked, it indicates the agenda item is subject to the Levine Act SB1439 requirements. Council members are reminded to check their campaign contributions and determine whether they have received a campaign contribution of $500 or more that would require disclosure and/or recusal from discussing or acting on this agenda item. Campaign contributions of $500 or more made 1) by any person or entity who is identified in the agenda report as the applicant or proposer or 2) on behalf of the applicant or participant, including a parent, subsidiary or otherwise related business entity, or 3) by any person who has a financial interest in the agenda item requires a councilmember to comply with SB1439.

FISCAL IMPACT:

No costs will be incurred by the City in connection with the issuance of the Bonds. The City will receive approximately $15,000, 25% of CMFA's issuance fee, to the General Fund (FD101, General Fund | CC 9999, Total Non-Departmental | 45000 Other Revenue-Miscellaneous Revenue) for reimbursement of staff time.

PUBLIC NOTICING REQUIREMENTS:

Notice of the TEFRA Hearing for the issuance of Revenue Bonds was published in the Inland Valley Daily News on 7/6/2026 (see Attachment No. 2).

DISCUSSION:

Step Up Housing, a California nonprofit public benefit corporation through a special purpose entity (together, the "Borrower") has requested that the California Municipal Finance Authority (the "Authority") adopt a plan of financing providing for the issuance of qualified 501(c)(3) bonds as defined in Section 145 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 qualified 501(c)(3) bonds in one or more series from time to time, and at no time to exceed $70,000,000 in aggregate principal amount (the "Bonds"), to finance or refinance the acquisition, rehabilitation, improvement and equipping of a multifamily rental housing project located at 150 West Foothill Boulevard, Pomona, California (the "Project").

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

CALIFORNIA MUNICIPAL FINANCE AUTHORITY:

The CMFA was created on January 1, 2004, pursuant to a joint exercise of powers agreement to promote economic, cultural and community development, through the financing of economic development and charitable activities throughout California. To date, over 350 municipalities have become members of CMFA including the City of Pomona.

The CMFA was formed to assist local governments, non-profit organizations and businesses with the issuance of taxable and tax-exempt bonds aimed at improving the standard of living in California. The CMFA's representatives and its Board of Directors have considerable experience in bond financing.

The Joint Exercise of Powers Agreement provides that the CMFA is a public entity, separate and apart from each member executing such agreement. The debts, liabilities and obligations of the CMFA do not constitute debts, liabilities or obligations of the members executing such agreement.

The Bonds to be issued by the CMFA 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 or the State of California but are to be paid for solely from funds provided by the Borrower.

Participation by the City in the CMFA will not impact the City's appropriations limits and will not constitute any type of indebtedness by the City. Outside of holding the TEFRA hearing and adopting the required resolution, no other participation or activity of the City or the City Council with respect to the issuance of the Bonds will be required.

Prepared by:

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ATTACHMENT(S):

Attachment No. 1 – Resolution No. 2026-77
Attachment No. 2 – Notice of Public Hearing