

Agenda Report

TO: CITY COUNCIL **DATE:** November 13, 2006

FROM: CITY MANAGER

SUBJECT: RESOLUTION FOR THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY RELATED TO THE WESTGATE PASADENA APARTMENTS PROJECT.

RECOMMENDATION:

It is recommended that the City Council hold a Tax Equity Fiscal Responsibility Act (TEFRA) hearing and adopt a Resolution approving the issuance of Multifamily Housing Revenue Bonds by the California Statewide Communities Development Authority (CSCDA) in an aggregate principal amount not to exceed \$150 million to be used to finance or refinance the acquisition, construction and improvement of the proposed Westgate Pasadena apartment housing project and certain other matters relating thereto.

BACKGROUND:

The proposed project site is 11.94 acres in size and consists of the three contiguous blocks that are bounded by Green Street to the north, Delacey Avenue to the east, Del Mar Boulevard to the south and Pasadena Avenue to the west. Westgate Pasadena LLP proposes to construct 820 residential units and 22,154 square feet of ground floor retail with 1,693 underground parking spaces. The proposed project includes 85 inclusionary units (14 studios, 36 one-bedroom units, and 35 two-bedroom units). Seventy-one units would be low income and fourteen units would be moderate income. On September 18, 2006, the City Council approved the EIR and the Westgate Pasadena housing project.

The City of Pasadena is a member of the California Statewide Communities Development Authority (CSCDA) Joint Powers Authority, which is a statewide issuer of municipal and public benefit financing. Westgate Pasadena Apartments, LLC has applied to the CSCDA to issue up to \$150 million of tax-exempt multifamily housing revenue bonds to finance the construction and development of the project. The City is required to hold a TEFRA public hearing, and if there is support, adopt a resolution authorizing CSCDA to issue bonds.

FISCAL IMPACT:

There is no fiscal impact to the City. The adoption of the Resolution approving the project and the issuance of the bonds complies with the requirements of Section 147(f) of the Internal Revenue Service Code. The City of Pasadena does not bear any responsibility for the tax exempt status of the bonds, the debt service on the bonds, nor any other matter related to the bonds.

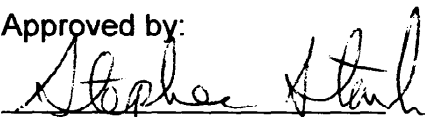
Respectfully submitted,


Cynthia J. Kurtz
City Manager

Prepared by:


Vic Ergaman
City Treasurer

Approved by:


Stephen Stark
Director of Finance

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized pursuant to the provisions of California Government Code Section 6500 *et seq.* and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the City of Pasadena (the "City"), to issue revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of financing multifamily rental housing projects; and

WHEREAS, Westgate Pasadena, LLC, a California limited liability company, or related entities, has requested that the Authority adopt a plan of financing providing for the issuance of multifamily housing revenue bonds in one or more series issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, and at no time to exceed \$150,000,000 in outstanding aggregate principal amount, to finance the construction and development of a 480-unit multifamily rental housing project, located at 134 West Valley in the City of Pasadena, California, and generally known as Westgate Pasadena Apartments (the "Project"); and

WHEREAS, the Bonds or a portion thereof will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the "applicable elected representative" of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the members of this City Council (this "Council") are the applicable elected representatives of the City; and

WHEREAS, there has been published, at least 14 days prior to the date hereof, in a newspaper of general circulation within the City, a notice that a public hearing regarding the Bonds would be held on a date specified in such notice; and

WHEREAS, such public hearing was conducted on such date, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the Bonds required by Section 147(f) of the Code and Section 9 of the Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PASADENA AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. The Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the Council that this resolution constitute approval of the Bonds for the purposes of (a) Section 147(f) of the Code and (b) Section 9 of the Agreement.

Section 3. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing approved hereby.

Section 4. The City Clerk shall forward a certified copy of this Resolution and a copy of the affidavit of publication of the hearing notice to:

Justin Cooper, Esq.
Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, California 94105

Section 5. This resolution shall take effect immediately upon its passage.

ADOPTED at the _____ meeting of the City Council on the _____
day of _____, 2006 by the following vote:

AYES:

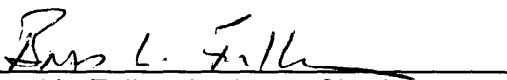
NOES:

ABSENT:

ABTAIN:

Jane L. Rodriguez, City Clerk

Approved as to Form:



Brad L. Fuller, Assistant City Attorney