



Agenda Report

March 15, 2021

TO: Honorable Mayor and City Council

FROM: City Manager

SUBJECT: TAX EQUITY AND FISCAL RESPONSIBILITY ACT RESOLUTION FOR THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY OBLIGATIONS FOR THE BENEFIT OF MAYFIELD SENIOR SCHOOL OF HOLY CHILD JESUS.

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a "project" subject to California Environmental Quality Act (CEQA) as defined in section 15378(b)(4) of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project; and
2. Adopt a Resolution approving the financing to be undertaken by the California Enterprise Development Authority (CEDA) for the benefit of Mayfield Senior School of The Holy Child Jesus in a maximum aggregate principal amount not to exceed \$17,000,000 for the purpose of financing, refinancing, and/or reimbursing the cost of designing, constructing, renovating, remodeling, installing, equipping, and furnishing educational facilities for the benefit of Mayfield Senior School of the Holy Child Jesus and other matters relating thereto herein specified.

BACKGROUND:

Mayfield Senior School of the Holy Child Jesus requested that the CEDA incur, pursuant to a plan of finance, one or more tax-exempt loans in an aggregate principal amount not to exceed \$17,000,000 for the purposes of using the proceeds of the Obligations: to (a) finance, refinance and/or reimburse to the Borrower for the cost of designing, constructing, renovating, remodeling, installing, equipping and furnishing the Borrower's Strub Hall, located at 500 Bellefontaine Street, Pasadena, California 91105, including retrofitting and modernizing Strub Hall's plumbing, heating and electrical

systems; repurposing and reconfiguring existing space to renovate classrooms, meeting rooms, offices and art and media spaces, and other upgrades to better meet the needs of both students and faculties, and (b) pay certain financing costs and costs of issuance in connection with the issuance of the Obligations (the "Project").

In order for all or a portion of the Obligations to qualify as tax-exempt bonds, the City of Pasadena must conduct a public hearing (the "TEFRA Hearing") that provides members of the community an opportunity to speak in favor of or against the use of tax-exempt obligations for the financing of the Project and the City Council has to adopt a TEFRA Resolution approving the financing. An Administrative TEFRA Hearing was held on March 11, 2021 at 11:30 a.m.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

CEDA is a joint powers authority established by the California Association for Local Economic Development pursuant to the Joint Exercise of Powers Act, comprising Articles 1, 2, 3, and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California. CEDA was established by the cities of Eureka, Lancaster, and Selma and now includes more than 200 cities and counties as associate members, including the City of Pasadena. CEDA was organized for the purpose of issuing tax-exempt and taxable conduit revenue bonds to fund commercial and industrial development projects within member jurisdictions. The projects funded by CEDA provide public benefits and serve the needs of residents within the jurisdictions of the participating members.

COUNCIL POLICY CONSIDERATION:

This action supports the City Council's strategic goals to maintain fiscal responsibility and stability and to improve the quality of life.

ENVIRONMENTAL ANALYSIS:

The proposed action is the approval of the use of tax-exempt proceeds for refinancing or financing the renovation habilitation of the existing School. This action is not a "project" pursuant to the California Environmental Quality Act ("CEQA") in accordance with State CEQA Guidelines Section 15378(b)(4). This section excludes from the definition of "project" any government funding mechanism or other government fiscal activities, which do not involve any commitment to any specific project, which may result in a potentially significant impact to the environment. The funding mechanism here does not approve of or commit the school to any particular project and only provides a funding mechanism for the financing of its project.

FISCAL IMPACT:

There is no fiscal impact as a result of this action nor will it have any indirect or support cost requirements. There is no anticipated impact to other operational programs or capital projects as a result of this action. The adoption of the Resolution approving the project and the issuance of the Obligations complies with the requirements of Section 147(f) of the Internal Revenue Code. The proposed Obligations to be issued by CEDA will be the sole responsibility of Mayfield Senior School of the Holy Child Jesus. The City will have no financial or legal obligation for the tax-exempt status of the Obligations, the debt service on the Obligations nor any other matter related to the proposed Obligations.

Respectfully submitted,



MATTHEW E. HAWKESWORTH
Director of Finance

Prepared by:



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Deputy Director of Finance/City Treasurer

Approved by:



STEVE MERMELL
City Manager