

Agenda Report

TO: Mayor and City Council
THROUGH: Finance Committee

March 12, 2001

FROM: City Manager

SUBJECT: Public Hearing and Adoption of a Resolution Approving the Issuance of Tax-Exempt Obligations by the California Statewide Communities Development Authority on behalf of the Center for Community and Family Services

RECOMMENDATION

It is recommended that the City Council hold a Public Hearing and adopt a Resolution approving the issuance of tax-exempt obligations by the California Statewide Communities Development Authority on behalf of the Center for Community and Family Services

BACKGROUND

The Center for Community and Family Services (CCFS) formerly known as Community Housing Services has submitted an application for the financing of equipment and refinancing of a campus like facility which includes a Head Start Program kitchen, four low-income housing units and an administration office in an amount not to exceed \$3 million. The projects to be financed will be located at 140 E. Orange Grove Avenue, 674-680 N. Summit Avenue and 666 N. Summit Avenue.

CCFS, founded in 1969, is a private, public benefit, community based 501(C)(3) organization founded with a mission of improving living conditions for low-income families. It currently has an annual budget of over \$22 million and operates a variety of neighborhood programs in Pasadena, Glendale, South Central Los Angeles and the northern counties of Madera and Lassen.

CCFS was initially established to provide low-incoming housing for the residents of Northwest Pasadena who were displaced by the construction of the 210 Freeway. Since then, CCFS has expanded its services to include child development, emergency food distribution, job training and placement, housing and parent education. CCFS also

Until May of 2000, CCFS' Head Start operation was located at an unused public school in Pasadena. With smaller class sizes mandated in California, Pasadena Unified School District reclaimed the property. As such, the Center lost their facilities, including a kitchen that provided meals and snacks for 1,200 children, ages three to five. If approved, this transaction will allow the Center to access tax-exempt funding.

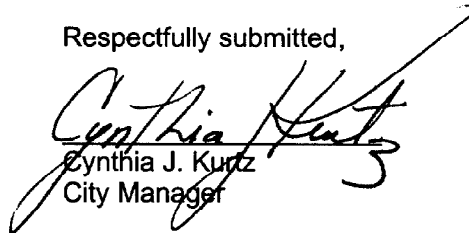
REQUIRED PUBLIC HEARING

In order for the Center for Community and Family Services to have access to tax exempt financing, the Internal Revenue Code requires that a public hearing be held concerning the proposed financing. The required hearing must be preceded by notice published at least 14 days in advance of the hearing. Notice of the proposed hearing was published.

FISCAL IMPACT

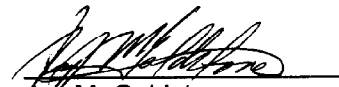
The City will not be directly or contingently obligated in any manner by the proposed financing, and the City will not be a party to the financing documents. Only CSDCA and the Center will be parties to the financing documents, and CSCDA's liability will be limited to payments made by the Center for the purpose of paying debt service.

Respectfully submitted,



Cynthia J. Kurtz
City Manager

Approved by:



Jay M. Goldstone
Director of Finance