

Agenda Report

July 12, 2021

TO: Honorable Mayor and City Council

FROM: City Manager

SUBJECT: TAX EQUITY AND FISCAL RESPONSIBILITY ACT RESOLUTION FOR THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (CSCDA) OBLIGATIONS FOR THE BENEFIT OF PASADENA STUDIOS, LLC (274 & 282 NORTH OAKLAND AVENUE)

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 issuance by the California Statewide Communities Development Authority of Tax-Exempt Multifamily Housing Revenue Bonds for the Pasadena Studios, LLC in an amount not to exceed \$33,000,000 in outstanding aggregate principal amount of bonds to finance or refinance the acquisition, construction and development of a multifamily rental housing project located at 274 & 282 North Oakland Avenue, Pasadena, California ("The Project").

BACKGROUND:

Pasadena Studios (the "Project") is a 180 Unit Studio Micro-Unit Apartment project plus one manager's unit located within a short walk to Pasadena City Hall, Pasadena Convention Center and Old Pasadena, which is the premier shopping and entertainment destination in Pasadena. The Project is one block North of Walnut Street, a major commercial, arterial street in Pasadena.

The Project consists of 220 square feet studio units & 260 square feet ADA compliant units. Preference will be given to tax credit eligible local workers looking for modern reasonably priced apartment units. Each unit has a very generous sized balcony for indoor/outdoor living within the unit.

The Project will be six stories of residential units over parking at grade. There will be a number of amenities in the project and will include:

- Communal Work Place & Lobby
- Fitness Center
- Roof-Top Deck with sitting areas, BBQ, Fire Pits & Canopies
- Bicycle Storage
- Amphitheatre for movie and TV viewing
- On-site laundry facilities
- Wireless internet for residents

The Project aims to target the proven demand for affordable rental units in the Pasadena area.

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 June 24, 2021 at 10:00 a.m.

The CSCDA is a Joint Powers Authority organized and existing under the laws of the State of California (specifically, California Government Code Section 6500), and is sponsored by the League of California Cities and the California State Association of Counties. Over 500 counties, cities, and special districts are members of the Authority, including the City of Pasadena. The sole purpose of the CSCDA is to finance projects that promote economic development through the issuance of bonds.

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 to any particular project and only provides a funding mechanism for the financing of the project.

FISCAL IMPACT:

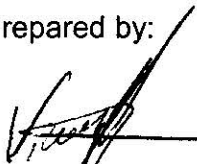
There is no fiscal impact as a result of this action nor will it have any indirect or support cost requirements. There is no anticipated impact to other operational programs or capital projects as a result of this action. The adoption of the TEFRA Resolution complies with the requirements of Section 147(f) of the Internal Revenue Code. The proposed Multifamily Housing Revenue Bonds to be issued by CSCDA will be the sole responsibility of Pasadena Studios, LLP. 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,



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Director of Finance

Prepared by:



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Approved by:



STEVE MERMELL
City Manager