



# Agenda Report

June 8, 2026

**TO:** Honorable Mayor and City Council

**FROM:** Department of Finance

**SUBJECT: HOLD TAX EQUITY AND FISCAL RESPONSIBILITY ACT (TEFRA) HEARING AND ADOPT RESOLUTION FOR THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY OBLIGATIONS FOR THE BENEFIT OF CGF PROPERTIES LLC (FULLER SEMINARY DORMITORIES)**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Hold a TEFRA hearing; and
2. Adopt a Resolution approving the financing to be undertaken by the California Enterprise Development Authority (CEDA) for the benefit of CGF Properties LLC in a maximum aggregate principal amount not to exceed \$22,000,000 for the purpose of financing, refinancing, and/or reimbursing the cost of acquisition, construction, improvement, furnishing, and equipping of student dormitory facilities located at 261, 271, 281 and 291 North Madison Avenue, Pasadena, California 91101 for the benefit of CGF Properties LLC and other matters relating thereto herein specified.

## **BACKGROUND:**

CGF Properties LLC (the "Borrower") 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 \$22,000,000 (the "Obligations") for the purposes of using the proceeds of the Obligations: to (a) finance, refinance, and/or reimburse to the Borrower for the cost of acquisition, construction, improvement, furnishing and equipping of dormitory facilities located at 261, 271, 281 and 291 North Madison Avenue, Pasadena, California 91101 (the "Facilities"), and (b) pay certain financing costs and costs of issuance in connection with the issuance of the Obligations (the "Project"). Fuller Theological Seminary, a California nonprofit religious corporation (the "Seminary"), is the sole member of the Borrower. The Seminary is an international and multi-ethnic institute, which trains pastors, missionaries, psychologists, educators, and community leaders. The Seminary is accredited by the Western Association of Schools and Colleges Senior College and

University Commission (WSCUC). All degrees and academic certificates are accredited by WSCUC. The Facilities provide critical below-market and convenient dormitory facilities for students attending the Seminary.

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.

### **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 250 cities and counties as associate members, including the City. 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.

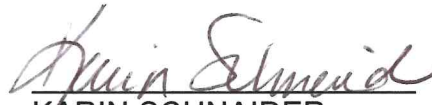
### **ENVIRONMENTAL ANALYSIS:**

The proposed action is the approval of the use of tax-exempt proceeds for financing, refinancing and/or reimbursing the cost of acquisition, construction, improvement, furnishing and equipping of dormitory facilities located at 261, 271, 281 and 291 North Madison Avenue, Pasadena, California 91101. 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 CGF Properties LLC. 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. In addition, CEDA and/or CGF Properties LLC will provide indemnification to the City consistent with this lack of financial or legal obligation to the City. The City will receive \$10,000 representing the TEFRA fee that it charges on such transactions.

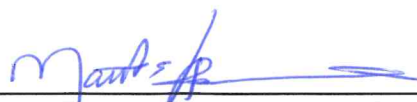
Respectfully submitted,

  
KARIN SCHNAIDER  
Director of Finance

Prepared by:

  
Vic Erganian  
Deputy Finance Director /City Treasurer

Approved by:

  
MATTHEW E. HAWKESWORTH  
Interim City Manager