

Agenda Report

TO: Mayor and City Council January 25, 1999

THROUGH: Finance Committee

FROM: City Manager

SUBJECT: Recommendation to Hold a Public Hearing and to Adopt a Resolution Approving the Issuance of Multifamily Housing Revenue Bonds by the California Statewide Communities Development Authority to Benefit the Affordable Housing Development Corporation

RECOMMENDATION

It is recommended that the City Council hold a Public Hearing and adopt a Resolution approving the issuance of Multifamily Housing Revenue Bonds by the California Statewide Communities Development Authority.

BACKGROUND

The Affordable Housing Development Corporation (AHDC), a California corporation, was established in 1991 to acquire, construct and rehabilitate multi-family housing projects. AHDC wishes to acquire Kings Village, along with several other housing projects outside of Pasadena and, has requested the California Statewide Communities Development Authority ("CSCDA") to participate in issuance of Multifamily Housing Revenue Bonds for the purpose of financing the acquisition and improvements of these housing projects.

In order to proceed with the financing, CSCDA has requested that the City hold a public hearing and approve the proposed financing. CSCDA is a joint powers authority currently comprised of over 200 cities and counties, including the City of Pasadena. This is a conduit financing and as in similar cases, there are no financial obligations or risks associated with a City's membership in CSCDA, or any tax-exempt obligations issued by CSCDA.

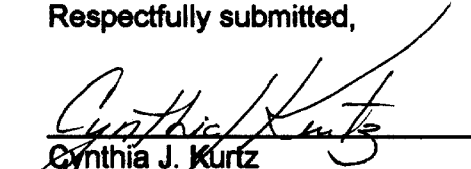
REQUIRED PUBLIC HEARING

In order for AHDC to have access to tax exempt financing, the Internal Revenue Code requires that a public hearing be held concerning the proposed financing. AHDC qualifies for tax exempt financing since the project being acquired is for low and moderate income housing. 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 on January 7, 1999.

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 CSCDA and AHDC will be parties to the financing documents, and CSCDA's liability will be limited to payments made by AHDC for the purpose of paying debt service.

Respectfully submitted,


Cynthia J. Kurtz
City Manager

Approved by:


Jay M. Goldstone
Director of Finance