



# Agenda Report

November 4, 2019

**TO:** Honorable Mayor and City Council

**FROM:** City Manager

**SUBJECT: TAX EQUITY AND FISCAL RESPONSIBILITY ACT (TEFRA) HEARING AND RESOLUTION FOR THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY REVENUE BONDS FOR THE CONCORD RHF PARTNERS, LP.**

**RECOMMENDATION:**

It is recommended that the City Council hold a TEFRA hearing and:

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 of the City Council of the City of Pasadena approving the issuance by California Statewide Communities Development Authority (CSCDA) of one or more series of revenue bonds or notes, from time to time, pursuant to a plan of financing, in an aggregate principal amount not to exceed \$55,000,000 for the purpose of financing and refinancing all or any portion of the acquisition, rehabilitation, construction, improvement, renovation and equipping of a multifamily senior housing facility operated by Concord RHF Partners, LP, Retirement Housing Foundation, or an affiliate of either and owned by Concord RHF Partners, LP or an affiliate thereof, and certain other matters relating thereto;

**BACKGROUND:**

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 member 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.

Concord RHF Partners, LP, a California limited partnership (the Corporation who is the borrower) has requested that the CSCDA serve as the issuer of Revenue Bonds in an aggregate principal amount not to exceed \$55,000,000. Proceeds from the sale of the Bonds are expected to be used to finance, and refinance the acquisition, rehabilitation, construction, improvement, renovation and equipping of the multifamily senior housing facility generally known as the Concord Apartments located at 275 E. Cordova Street, Pasadena, CA 91101 (the "Facility"), operated by the borrower, Retirement Housing Foundation or an affiliate of either and owned by the Corporation or an affiliate thereof.

The Concord is a 14-story, 150-unit low income senior citizen rental housing complex totaling 87,738 square feet, constructed in 1966 and located on a 1.2 acre site at 275 East Cordova Street. The Concord housing is comprised of 149 units that are age-, income-, and rent-restricted, and one (1) resident manager's unit. The 150 units are comprised of 58 studio units and 92 one-bedroom units. The Concord property is owned by the City and is operated by Pasadena RHF Housing, Inc through a ground lease agreement.

#### **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 bond funds for refinancing or financing the acquisition and rehabilitation of the existing property. 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 Concord RHF Partners, LP to any particular project, and only provides a funding mechanism for the improvement and rehabilitation of the senior housing complex.

**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 bonds complies with the requirements of Section 147(f) of the Internal Revenue Service Code. The proposed obligations to be issued by the CSCDA will be the sole responsibility of Concord RHF Partners, LP. The City will have no financial or legal obligation for the tax exempt status of the bonds, the debt service on the bonds, nor any other matter related to the proposed bonds.

Respectfully submitted,

  
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MATTHEW E. HAWKESWORTH  
Director of Finance

Prepared by:

  
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Approved by:

  
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STEVE MERMELL  
City Manager