



OFFICE OF THE CITY MANAGER

March 14, 2013

To the Honorable City Council
of the City of Pasadena

Mayor and Councilmembers:

WEEKLY NEWSLETTER

1. Impact of Sequestration on Direct Pay Bond Issues:

Attached is a letter from BNY Mellon discussing the recent federal budget reductions and the 8.7% reduction on the amount of the subsidy payments to be received in connection with Direct Pay Bonds. At this time Andrew Green, Director of Finance, estimates that this will be about \$126,000 for the Rose Bowl in September 2013 and about \$27,000 for Water and Power in June 2013. Staff will continue to bring forward information regarding the impacts from sequestration as the information becomes available.

2. Centennial Place Financial Restructuring Completed:

A complete financial restructuring of the 144-unit Centennial Place permanent supportive housing project, formerly the YMCA, was completed on March 1, 2013. The transaction involved Abode Communities (the nonprofit owner) and four lenders – Citibank, State of California Department of Housing and Community Development, Housing Authority of the County of Los Angeles, and the City of Pasadena.

The restructuring provides the City with extended very low income affordability to 2068 (the original deed restrictions were slated to expire in 2018). Furthermore, the owner is committed to providing a voluntary share of its surplus cash flow to the City. According to William K. Huang, Director of Housing, these funds will be deposited annually into the General Fund as an offset to the City's cost of providing basic services. The projected amount of this new revenue source is approximately \$375,000 over the next 20 years.

The project itself benefits from the restructuring. The infusion of \$2 million in County financing will be used for a green rehabilitation of the building to reduce the project's carbon footprint and lower operating costs. The restructuring also enhances the project's ability to provide, through Union Station Homeless Services, critically needed supportive services to its residents. In sum, this transaction enhances the project's long-term sustainability and viability.

3. La Pintesca Teen Education Center College Palooza 2013:

The City of Pasadena's La Pintesca Teen Education Center has teamed up with the YWCA Pasadena-Foothill Valley to present the 2013 College Palooza. The event will take place at the Teen Education Center on March 16, 2013 from 9:00 a.m. to 2:00 p.m. The fair will include workshops, entertainment, and a special guest DJ from KPCC, raffles and a free lunch hosted of Panda Express.

According to Mercy Santoro, Director of Human Services and Recreation, more than 100 students are expected to attend this informational college fair. Colleges and universities confirmed include the University of Phoenix, Holy Family University, California State University of Los Angeles, University of California Los Angeles, Fashion Institute of Design and Merchandise, Charles Drew University, Paul Mitchell College of Pasadena, Pacific Oaks College, Arts Center of Design and Pasadena City College. Students interested in financial aid, internship opportunities as well as summer work vacancies should plan to attend this annual college fair.

The YWCA and the La Pintesca Teen Education Center have a great partnership and have vowed to work together to put on this event for the teens in the community. The leadership of both organizations understands that not all teens will go directly from high school to college and information pertaining to jobs as well as options for students who are not interested in attending a college or university right away is just as important.

Pre-registration is required to attend the workshops and will continue through March 15, 2013. Please call the YWCA at 626-296-8433 or LPTEC at 626-345-0708 to reserve a space.

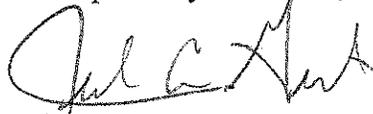
4. Jump into Spring Festivals, Egg Hunts in Pasadena March 23rd, 29th & 30th:

Jump into spring by hopping over to one of several special festivals and egg hunts for children. The fun begins at Victory Park, 2575 Paloma St., on Saturday, March 23rd, with a special "Breakfast with the Bunny" and egg hunt. The other events will take place at La Pintesca Teen Center on March 29th, Villa-Parke Community Center and Robinson Park, on March 30th. I have attached a memorandum from Mercy Santoro, Director of Human Services and Recreation with all the information for these events and you can always visit their website at www.cityofpasadena.net/humanservices.

5. **Rose Bowl Renovation Project Weekly Update:**

Attached is the most current schedule for the Rose Bowl Renovation Project as provided by Darryl Dunn, General Manager of the Rose Bowl.

Respectfully submitted,



JULIE A. GUTIERREZ
Assistant City Manager

/attachments



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2001 Bryan Street, 10th Floor
Dallas, TX 75201
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March 11, 2013

To: Direct Pay Bonds Calculation Agent Clients

Re: Impact of Sequestration on Direct Pay Bond Subsidy Payments

As you may be already be aware, the recent federal budget reductions will impact the amount of the subsidy payments to be received in connection with your Direct Pay Bonds. Effective March 1, 2013, the amount of the subsidy payment received will be **reduced by 8.7%** of the amount requested on Line 22 of IRS Form 8038-CP. The following information is provided in order to give you additional background on the impact of sequestration.

What is sequestration?

Sequestration refers to a set of across-the-board cuts to defense and domestic discretionary spending agreed to as a part of Congressional fiscal cliff negotiations in 2012. The agreement calls for \$1.2 trillion in cuts to spending applied across all affected categories, effective March 1, 2013.

How does it impact Direct Pay Bond subsidy payments?

The sequestration impacts the subsidy payments for Build America Bonds, Recovery Zone Economic Development Bonds Qualified School Construction Bonds, Qualified Zone Academy Bonds, Clean Renewable Energy Bonds, and Qualified Energy Conservation Bonds.

Guidance issued by the Internal Revenue Service on March 4, 2013 states that the "reduction is applied to section 6431 [subsidy payment] amounts claimed by an issuer on any Form 8038-CP filed with the Service which results in a payment to such issuer on or after March 1, 2013."

The guidance from the IRS states that direct pay subsidy payments will be cut by 8.7% of the requested subsidy amount and will apply through the end of the federal government's September 30 fiscal year end. The amount of the reduction, if any, after September 30, 2013 is not known.

What do issuers need to do?

The IRS has advised issuers that they should continue to follow the instructions on Form 8038-CP in order to receive subsidies from the Treasury Department. In the near future, the IRS will send notices to issuers informing them of the final, reduced, subsidy payments they should expect to receive for the requested payment. Accordingly, issuers will continue to file their Form 8038-CP requesting 100% of the

originally computed subsidy amount, which will be reduced by the IRS for the amount noted in their correspondence to the issuer. Issuers must act to ensure that funds will be available to fully fund debt service despite reductions in the subsidy payment. Issuers are ultimately responsible for timely and full debt service payments.

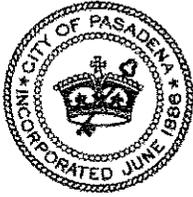
Issuers should consult bond/tax counsel as necessary to obtain detailed information regarding the implementation of sequestration and further advice on how issuers can prepare.

Please do not hesitate to contact your BNY Mellon relationship manager or Terry Burke (214) 580-1230 and Rachel Gonzalez (214) 580-1232 in our Arbitrage Compliance Group with additional questions.

Sincerely,

A handwritten signature in cursive script that reads "Terence P. Burke".

Terence P. Burke
Managing Director
Arbitrage Compliance Group



MEMORANDUM – CITY OF PASADENA
Human Services and Recreation Department

DATE: March 13, 2013

TO: Michael Beck, City Manager

FROM: Mercy Santoro, Director – Human Services & Recreation

SUBJECT: **JUMP INTO SPRING FESTIVALS, EGG HUNTS IN PASADENA**
MARCH 23, 29 & 30

Jump into spring by hopping over to one of several special festivals and egg hunts for children. The fun begins at Victory Park, 2575 Paloma St., on Saturday, March 23rd, with a special “Breakfast with the Bunny” and egg hunt. The other events will take place at La Pintoresca Teen Center on March 29th, Villa-Parke Community Center and Robinson Park, on March 30th.

At Victory Park enjoy breakfast with the Bunny from 8:00 a.m. to 10:00 a.m. with three pancakes, choice of bacon or sausage, choice of fruit and juice. The cost is \$10 for adults and \$5 for children. After breakfast, hop over to the Spring Festival which lasts until 1:00 p.m., where arts and crafts, games, prizes, face painting, balloon animals and much more can be enjoyed.

And don't forget to bring your best basket! A special egg hunt just for toddlers will be held at 11:00 a.m., followed by a separate egg hunt beginning at noon for children ages 5 to 12. All post-breakfast activities will be free, except for rides. The event is co-sponsored by District 4 Councilmember Gene Masuda and the City's Human Services and Recreation Department. For more information call (626) 744.7507.

All families are invited to Villa-Parke Community Center, 363 East Villa Street, for the Center's Spring Egg Hunt, from noon to 3:00 p.m., Saturday, March 30th. Bring your cameras and hop in line for pictures with the Bunny too. The day's free events also will feature the Armory Center's art projects; games, rides and more! Egg Hunt organized by age groups runs from 12:30 p.m. until 2:15 p.m. For more information, call the Villa-Parke staff at (626) 744-6530.

Robinson Park, 1081 North Fair Oaks Avenue, also celebrates spring with an egg hunt, free treats, arts and crafts and other fun activities for kids from 9:00 a.m. to 11:00 a.m., Saturday, March 30th. All children ages 1-12 are welcome. The hunt takes place on the athletic field just south of the Community Center. Call (626) 744-7330 for more details.

For the teen set, don't miss out on an Easter Egg Hunt in the dark with amazing prizes to local restaurants, movie tickets, fashion stores, and much more. The event is Friday, March 29th from 6:00 to 8:00 p.m. at the La Pintoresca Teen Education located at 1415 North Raymond Avenue.

Youth ages 12 to 18 are welcome. Bring a flashlight or a glow stick to hunt for your favorite prizes. This is one spring break activity you don't want to miss! Spend the rest of your evening listening to your favorite music. For more information contact the Teen Education Center at (626) 345-0706.

For more information about the Human Services and Recreation Department go online to www.cityofpasadena.net/humanservices.

PROJECT PLANNING SCHEDULE

3/11/2013

March							April							May						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
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31																				

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- March 11, 2013: Legacy Organization Meeting (10:15am/ Admin)
 - March 11, 2013: Weekly Update Meeting (11am/ Conference Room)
 - March 12, 2013: Non-mandatory job walk (11am/ BBM trailer)
 - March 14, 2013: Neighborhood Meeting (7:30am/ Brookside)
 - March 14, 2013: Syracuse- Stadium Tour (9:30am)
 - **March 14, 2013: BC3B Last day for RFIs**
 - March 15-24, 2013: McMahon's RV Show (Lot K)
 - March 18, 2013: Legacy Coordination Meeting (10:15am/ Admin)
 - **March 18, 2013: BC3B Last day to issue Addendum**
 - March 19, 2013: Police Drivers Training Course (7am-4pm/ South Lot F)
 - March 20, 2013: BBM contractor appreciation lunch (11:30am/ South Lot F)
 - March 23, 2013: Pasadena Triathlon
 - March 25, 2013: Legacy Coordination Meeting (10:15am/ Admin)
 - March 25, 2013: Weekly Update Meeting (11am/ Conference Room)
 - March 25, 2013: Public Works Retreat (Media Center/ Visitor's Locker Room)
 - **March 26, 2013: BC3B Bids Due (10am/ Admin Office)**
 - March 27, 2013: Finance Meeting (8am/ Conference Room)
 - March 27, 2013: Safety Meeting (Noon/ Conference Room)
 - April 1, 2013: Legacy Coordination Meeting (10:15am/ Admin)
 - April 1, 2013: Weekly Update Meeting (11am/ Conference Room)

- April 3, 2013: Rose Bowl Local Hiring Advisory Meeting (4pm/ Brookside)
- April 3, 2013: Food Truck Night (Lot F)
- April 5, 2013: City Colleges Event (Field/ tentative)
- April 6, 2013: CSX Intermodal Rodeo (Lot F/ tentative)
- April 6, 2013: MS walk load-in
- April 7, 2013: MS Walk