



# Agenda Item

## City Council

Item #: 10.1.

11/28/2023

File #: 23-0766

**TO:** Honorable Mayor and Members of the City Council

**THRU:** Tom Kisela, City Manager

**FROM:** Russell Bunim, Community Development Director

### 1. SUBJECT

Public Hearing to consider conduit tax-exempt bond financing for “The Orion” Senior Affordable Housing Project, Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing and finding of CEQA exemption.

### 2. SUMMARY

Resolution No. 11504 authorizes the City of Orange to approve the issuance by the California Municipal Finance Authority of tax-exempt bonds, in an amount not to exceed \$45,000,000 to finance “The Orion” Senior Affordable Housing Project located at 1800 E. La Veta Avenue, Orange, California.

### 3. RECOMMENDED ACTION

1. Conduct and close Public Hearing.
2. Find that this action is not a project as defined by the California Environmental Quality Act (CEQA).
3. Adopt Resolution No. 11504. A Resolution of the City Council of the City of Orange approving a plan of finance including the issuance of revenue bonds by the California Municipal Finance Authority in an aggregate principal amount not to exceed \$45,000,000 to finance and refinance a qualified rental project for the benefit of Orange 702, L.P., a California Limited Partnership, and certain other matters relating thereto, located at 1800 E. La Veta Avenue.

### 4. FISCAL IMPACT

At the time bond issuance, a fee will be paid by Orange 702, L.P. (the recipient of the bond revenues) to the California Municipal Finance Authority (CMFA). Subsequently, CMFA will pay a share of the issuance fee to the City of approximately of \$15,000 for being the public agency that authorizes the issuance of the bonds.

### 5. STRATEGIC PLAN GOALS

Goal 3: Enhance and promote quality of life in the community

c: Support and enhance attractive, diverse living environments.

e: Develop and strengthen collaborative partnerships to enhance and promote quality of life programs, projects, and services.

### 6. DISCUSSION AND BACKGROUND

On March 7, 2022, the Planning Commission approved all required entitlements, and authorized USA

Properties Fund, Inc. and Riverside Charitable Corporation (USA and RCC) for “The Orion” Senior Affordable Housing Project (Project) that will consist of 166 affordable rental housing units for low and very low income families. Entitlements include Conditional Use Permit No. 3146-21, Major Site Plan Review No. 1047-21, Design Review No. 5042-21, and a density bonus with affordable housing concessions and waivers to development standards (Attachments 2 and 3). The proceeds of the Bonds will be used to finance and refinance the acquisition, construction, development and equipping of the project. USA and RCC are the project proponents. The Project is located on a 3.85 acre site at 1800 E. La Veta Avenue.

The statewide elimination of redevelopment agencies in 2012 removed an important funding source for affordable housing, and creative solutions are required to fund affordable projects. The applicant has requested that the California Municipal Finance Authority (CMFA) issue tax-exempt bonds in an aggregate amount not to exceed \$45,000,000 to finance the project.

As part of the issuance process, the City is required under the Tax Equity and Fiscal Responsibility Act (TEFRA) to hold a public hearing on the use of tax-exempt bonds for this project. The required seven-day public hearing notice was published on November 16, 2023 in the Anaheim Bulletin. Although the City is holding the TEFRA hearing as part of the bond issuance, this does not create any financial obligation for the City regarding the bonds.

Staff requests the City Council approve Resolution No. 11504 for the issuance of tax-exempt bonds by the CMFA to finance “The Orion” Senior Affordable Housing Project located at 1800 E. La Veta Avenue, Orange, California.

## **7. ENVIRONMENTAL REVIEW**

The proposed project is not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to (1) Section 15061(b)(3) of the state CEQA Guidelines (Common Sense Exemption) because it can be seen with certainty that there is no possibility that it would have a significant effect on the environment; and (2) Section 15378 because it will not have a direct or reasonably foreseeable indirect physical change on the environment and is not a "project." For this reason, no further CEQA documentation is required.

## **8. ATTACHMENTS**

- Attachment 1 - Resolution No. 11504
- Attachment 2 - March 7, 2022 Planning Commission Staff Report (without attachments)
- Attachment 3 - Planning Commission Resolution No. PC 02-22