



# City of Orange

## Legislation Text

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File #: 20-354, Version: 2

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

**THRU:** Rick Otto, City Manager

**FROM:** William Crouch, Community Development Director

### 1. SUBJECT

Public Hearing to consider conduit tax-exempt bond financing for the Corp Yard Affordable Housing project. (Relates to Items 7.5, 11.1, and 11.2)

### 2. SUMMARY

Resolution No. 11294 authorizes the City of Orange to approve the issuance of tax-exempt bonds, in an amount not to exceed \$20,000,000 by the California Municipal Finance Authority to finance the Corp Yard Affordable Housing project located at 637 West Struck Avenue, Orange, California.

### 3. RECOMMENDED ACTION

Adopt Resolution No. 11294. A Resolution of the City Council of the City of Orange approving the issuance by the California Municipal Finance Authority of multifamily housing revenue bonds for the affordable housing project located at 637 West Struck Avenue.

### 4. FISCAL IMPACT

There will no cost to the City for the issuance of the bonds.

### 5. STRATEGIC PLAN GOALS

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

- e: Develop and strengthen collaborative partnerships to enhance and promote quality of life programs, projects, and services.
- c: Support and enhance attractive, diverse living environments.

### 6. DISCUSSION AND BACKGROUND

Orange Housing Development Corporation (OHDC) and C&C Development Co. (C&C) are proposing to develop the Corp Yard Affordable Housing project that will consist of 62 affordable rental housing units for low income families. The project is to be located on about two acres of an underutilized portion of the City's Corporation Yard site located at 647 West Struck Avenue.

OHCD and C&C have a long history of partnering with the City to develop and manage quality affordable housing. The statewide elimination of redevelopment agencies in 2012 removed an important funding source for affordable housing, and creative solutions are required to fund these projects. The applicant has requested that the California Municipal Finance Authority (CMFA) issue tax-exempt bonds in an aggregate amount not to exceed \$20,000,000 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. A seven-day public hearing notice was published from December 31, 2020 through January 8, 2021 with the Orange City News. 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.

This report is one of four on the January 12, 2021 Council agenda addressing a portion of the financing and development of this proposed project. The three associated reports address the following portions:

- Project Entitlements and a Density Bonus Agreement
- Affordable Housing Disposition, Development, and Loan Agreement
- Commitment of federal HOME funds

Staff requests the City Council approve Resolution No. 11924 for the issuance of tax-exempt bonds by the CMFA to finance the Corpyard Affordable Housing project.

## **7. ATTACHMENTS**

- Resolution No. 11294