



City of Orange

Legislation Text

File #: 21-0497, Version: 1

TO: Honorable Mayor and Members of the City Council

THRU: Bonnie Hagan, Acting City Manager

FROM: Susan Galvan, Interim Community Development Director

1. SUBJECT

Public Hearing to consider conduit tax-exempt bond financing for the Corp Yard Affordable Housing Project, Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing.

2. SUMMARY

Resolution No. 11294 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 \$20,000,000 to finance the Valencia Garden Apartments, formerly known as 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

None.

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 January 12, 2021, the City Council approved entitlements, agreements, and authorized HOME Investment Partnerships funds for what was referred to as the Corp Yard Affordable Housing Project, now known as the Valencia Garden Apartments (Project) that will consist of 62 affordable rental housing units for low income families. Orange Housing Development Corporation (OHDC) and C&C Development Co. (C&C) are the project proponents. The Project is located on about two acres of an underutilized portion of the City's Corporation Yard site located at 637 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 September 30, 2021 through October 7, 2021 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. 11294 for the issuance of tax-exempt bonds by the CMFA to finance the Valencia Garden Affordable Housing Project.

7. ATTACHMENTS

- Resolution No. 11294