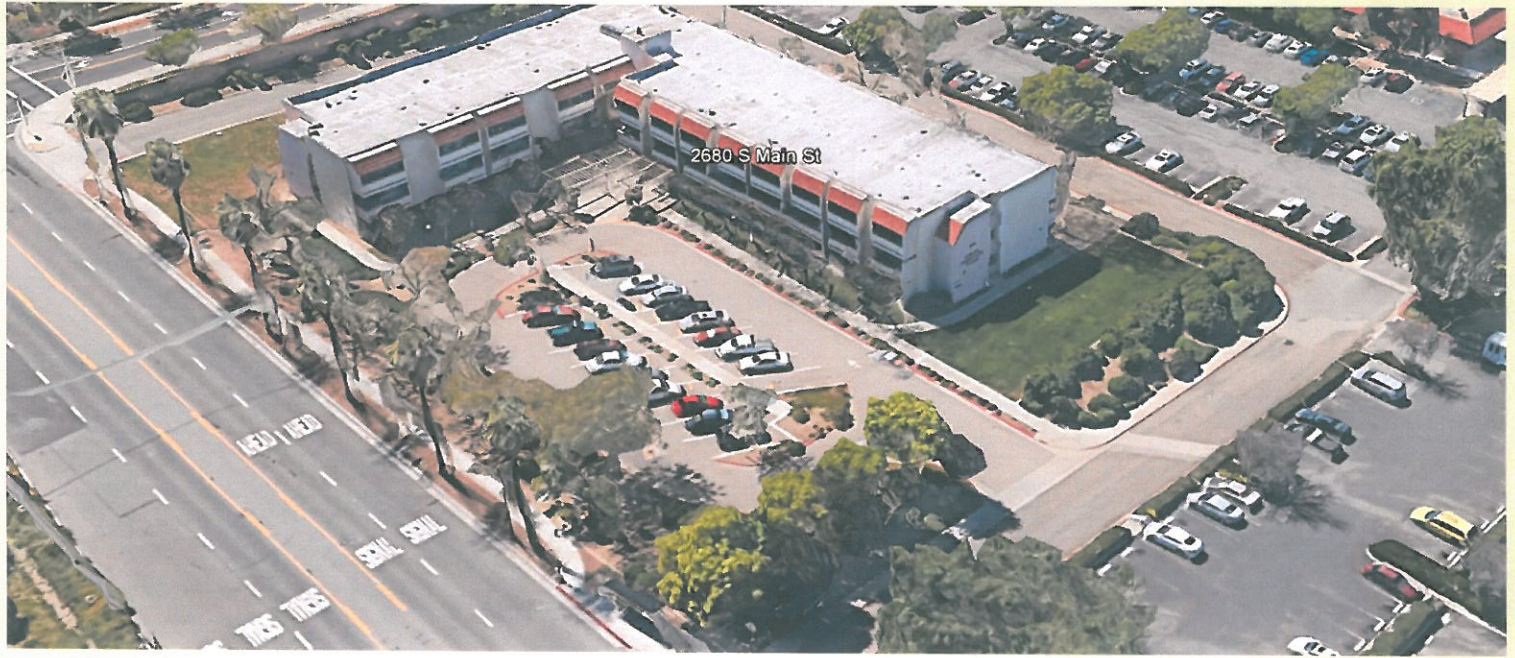


Agenda Item #18-160



Public Hearing for City Council consideration of Resolution No. 2018-107, approving the issuance of tax-exempt revenue bonds by the California Municipal Finance Authority in an amount not to exceed \$25,000,000, for the purpose of financing the acquisition and rehabilitation of Corona Community Villas (located at 2680 S. Main Street).



Purpose for Public Hearing

Corona Community Villas located at 2680 S Main is for sale
(75 affordable senior apartments)

- Thomas Safran & Associates Development, LLC seeks tax-exempt bonds (up to 25 million) to purchase and rehabilitate property
(TSA also seeks 8 million of tax credit financing)
- Issuance of tax exempt bonds fall under the Tax and Equity Fiscal Responsibility Act of 1982 (or TEFRA)
- IRS mandates TEFRA Hearing to:
 - Provide opportunity for interested individual to express views (orally or writing) about issuance of tax exempt bonds



City Procedural Involvement

- TEFRA public hearing:
 - City Council conducts public hearing after providing 14 day notice. (Notice published October 3)
 - Adopt a resolution approving the issuance of revenue bonds

City Fiscal Responsibility

- NO Fiscal impact to the City
- NO financial, legal, liability or responsibility for project or bonds



About the Project and Affordability

- Property built in 1988
- L-shaped 3-story building
- 75 units
 - 18 Studio (approx. 450 square feet)
 - 56 one-bedroom (approx. 576 square feet)
 - 1 two-bedroom (on-site manager unit)
- Amenities:
 - Community room – on-site staff – business center – fitness center – patios/balconies – outdoor BBQ – resident activities such as exercise classes, health & wellness seminars – monthly birthday parties



Affordability

➤ HOUSING ELEMENT

- 74 Units currently counted in the city's Housing Element.
- All units AT RISK

➤ Under new funding

- 74 units remain affordable
- 55 year affordability period
- 50% & 60% of the area median income

Affordability

2018 Rent Rate by unit:

50% Units		Maximum Monthly Rent
Studio	4	\$590
One Bedroom	12	\$632
60% Units		Maximum Monthly Rent
Studio	14	\$708
One Bedroom	44	\$759

2018 Household Income Limits:

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
50% AMI	\$23,600	\$27,000	\$30,350	\$33,700	\$36,400	\$39,100
60% AMI	\$28,320	\$32,400	\$36,420	\$40,440	\$43,680	\$46,920



Use of Bond & Tax Credit Financing

- TSA to acquire property from Corona Community Villas, Inc.
- Resident Unit Rehabilitation:
 - New sinks – vanity – plumbing fixtures – appliances and air conditioning
 - 10% of units will be upgraded to meet accessibility standards
- Common Area Rehabilitation:
 - Renovate community room with new furniture, pool table, television and more spacious kitchen
- Exterior Rehabilitation:
 - paint and repair building exterior, general site improvements, new landscaping and improvements to parking areas, walkways and site lighting



QUESTIONS

- Anthony Yannatta, representing Thomas Safran & Associates
- Anthony Stubbs, representing California Municipal Finance Authority (municipal issuer of tax-exempt bonds)