



# City of Oceanside

300 North Coast Highway,  
Oceanside, California 92054

## Staff Report

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**File #:** 25-1143

**Agenda Date:** 12/17/2025

**Agenda #:** 23.

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**DATE:** December 17, 2025

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Housing and Neighborhood Services Department

**TITLE: APPROVAL OF ISSUANCE OF TAX-EXEMPT REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY (CMFA) TO BENEFIT MAPLE HOUSING FOUNDATION FOR SUNTERRA APARTMENTS**

### **RECOMMENDATION**

Staff recommends that the City Council:

- 1) Conduct the public hearing under the requirements of Tax and Equity Fiscal Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended (the "Code"); and
- 2) Adopt a resolution approving the issuance of qualified 501(c)(3) bonds as defined in Section 145 of the Internal Revenue Code of 1986 (the "Code") by CMFA for the benefit of Maple Housing Foundation (the "Borrower"), in an aggregate principal amount not to exceed \$105,000,000, (the "Bonds") for the purpose of financing or refinancing the acquisition, rehabilitation, improvement and equipping of Sunterra multifamily rental housing located at 3851 Sherbourne Drive within the City of Oceanside, California (the "City").

### **BACKGROUND AND ANALYSIS**

The California Municipal Finance Authority ("CMFA"), a joint exercise of powers authority and public entity of the State of California, has received a request from Maple Housing Foundation, a 501(c)(3) non-profit organization, to serve as the conduit bond issuer of tax exempt revenue bonds, in an aggregate principal amount not to exceed \$105,000,000 (the "Bonds"). The proceeds of the Bonds will be used to finance or refinance the acquisition, rehabilitation, improvement and equipping of a 240-unit residential rental project to be owned and operated by the Borrower and located at 3851 Sherbourne Drive within the City of Oceanside, California (the "Project").

With the City's approval and CMFA's issuance of 501(c)(3) Bonds, as an alternative financing from the competitive 4% Low Income Housing Tax Credit/Bond program, the Project will be able to access tax-exempt financing to support the City's supply of low- and very-low income units in accordance with the City's Regional Housing Needs Allocation. The Project must meet Section 142(d) of the Code requiring a minimum of set aside of the housing as follows:

- At least 20% of units must be occupied by households with incomes at or below 50% of Area Median Income (AMI) (\$82,700 for a family of four) or 40% of units must be occupied by households with incomes at or below 60% of AMI (\$86,760 for a family of four); and
- At least 75% of units in the project must be occupied by households with incomes at or below 80% of AMI (\$132,400 for a family of four).

### **California Municipal Finance Authority**

The CMFA was created on January 1, 2004, pursuant to a joint exercise of powers agreement to promote economic, cultural and community development, through the financing of economic development and charitable activities throughout California. To date, over 350 municipalities, including the City of Oceanside, have become members of the CMFA.

The CMFA was formed to assist local governments, non-profit organizations, and businesses with the issuance of taxable and tax-exempt bonds aimed at improving the standard of living in California. The CMFA's representatives and its Board of Directors have considerable experience in bond financings.

### **Public Hearing and Resolution**

For the Bonds to qualify as tax-exempt bonds, the City Council of the City of Oceanside, as the "applicable elected representative" of the governmental unit hosting the Project must conduct a public hearing (the "TEFRA Hearing") providing members of the community an opportunity to comment on the use of the tax-exempt funds to finance the Project. As further described below, the City has no financial, legal liability or responsibility for the Project.

Prior to such TEFRA Hearing, reasonable notice must be provided to the members of the community. The required seven-day notice for the TEFRA was published in the San Diego Union Tribune, a newspaper of general circulation in the City of Oceanside, on December 9, 2025 informing the public that a public hearing would be held by the City Council on Wednesday, December 17, 2025 at 6:00 p.m.

Following the close of the TEFRA Hearing, the City Council will consider approving the issuance of the Bonds to finance the Project. The City is requested to execute a resolution approving the issuance of the Bonds (a "TEFRA Approval") by the CMFA for the benefit of Borrower, to provide for the financing of the Project, such approval being solely for the purposes of satisfying the requirements of the Code and the California Government Code Section 6500.

Once the City Council adopts the required resolution, no other participation of the City of Oceanside in the bond financing will be required.

- The debt issued that is financed by the bonds is not debt of the City of Oceanside. All repayment of debt is the strict obligation of the Borrower.
- All monitoring and administrative actions related to this issuance are the responsibility of the CMFA.
- The City's participation in the issuance of these state bonds will not impact the City's appropriation limits and will not constitute any type of indebtedness by the City.

**FISCAL IMPACT**

The Bonds to be issued by the CMFA for the Project will be the sole responsibility of the Borrower. As noted above, the City will have no financial, legal, liability or responsibility for the Project or the repayment of the Bonds for the financing of the project. There is no fiscal impact to the City of Oceanside for the California Municipal Finance Authority to issue the Bonds for the Project. All financing documents with respect to the issuance of the Bonds will contain clear disclaimers that the Bonds are not obligations of the City or the State of California but are to be paid for solely from funds provided by the Borrower.

Through its conduit issuance activities, the CMFA shares a portion of the issuance fees it receives with its member communities when it issues bonds. The City's minor administrative and staff costs to prepare the reports and related documents required by the Borrower and the CMFA will be reimbursed to the City through a small portion of the bond issuance fee.

**COMMISSION OR COMMITTEE REPORT**

Not Applicable

**CITY ATTORNEY'S ANALYSIS**

The supporting documents have been reviewed and approved as to form by the City Attorney.

Prepared by: Salvador Roman, Senior Management Analyst

Submitted by: Jonathan Borrego, City Manager

**ATTACHMENTS:**

1. Staff Report
2. Resolution
3. Location Map of Sunterra