



# City of Oceanside

300 North Coast Highway,  
Oceanside, California 92054

## Staff Report

---

**File #:** 26-1309

**Agenda Date:** 4/8/2026

**Agenda #:** 29.

---

DATE: April 8, 2026

TO: Honorable Mayor and City Councilmembers

FROM: Housing and Neighborhood Services Department

**TITLE: APPROVAL OF ISSUANCE OF TAX-EXEMPT REVENUE BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (CSCDA) TO BENEFIT BEDFORD SUNTERRA APARTMENTS, LLC**

### **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 CSCDA for the benefit of Bedford Sunterra Apartments, LLC (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 Statewide Communities Development Authority ("CSCDA"), a joint exercise of powers authority and public entity of the State of California, has received a request from Bedford Sunterra Apartments, LLC, 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").

Previously, on December 17, 2025, the City held a TEFRA hearing for the proposed issuance of Bonds for this Project. At that time, the Project was being acquired by a different party (Maple Housing Foundation) with a different bond issuer (California Municipal Finance Authority). Unfortunately, the and financing for the Project by Maple Housing Foundation was not able to be completed.

With the City's approval and CSCDA'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 minimum set asides 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).

Since the Project is not financed through the Low-Income Housing Tax Credit program but only with the 501(c)(3) bonds, there is more flexibility in the rehabilitation process and income qualifications. Rehabilitation of units and income qualification for all 75% of the units will occur gradually as units are vacated and new tenants are qualified.

### **California Statewide Communities Development Authority**

CSCDA is a joint powers authority sponsored by the League of California Cities ("League") and the California State Association of Counties ("CSAC"). CSCDA was created by the League and CSAC in 1988 to enable local government and eligible private entities access to low-cost, tax-exempt financing for projects that provide a tangible public benefit, contribute to social and economic growth and improve the overall quality of life in local communities throughout California. CSCDA is comprised of more than 530 members, including the City of Oceanside. CSCDA has issued more than \$75 billion in bonds through 1,800+ financings since 1988.

### **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 on the primary public website of the City of Oceanside in an area dedicated to informing residents about public meetings or events on March 17, 2026 informing the public that a public hearing would be held by the City Council on Wednesday, April 8, 2026 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 CSCDA 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 CSCDA.
- 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 CSCDA 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 Statewide Communities Development 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, CSCDA shares a portion of the issuance fees it receives with its founders and sponsors, the League of California Cities and the California State Association of Counties, benefiting all cities and counties throughout California.

### **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