



# City of Oceanside

300 North Coast Highway,  
Oceanside, California 92054

## Staff Report

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**File #:** 25-1182

**Agenda Date:** 1/14/2026

**Agenda #:** 15.

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**DATE:** January 14, 2026

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Housing and Neighborhood Services Department

**TITLE: APPROVAL OF ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY (CMFA) FOR THE BENEFIT OF OLIVE PARK APARTMENTS I, LP**

### **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 a plan of finance including the issuance of revenue bonds by the California Municipal Finance Authority in an aggregate principal amount not to exceed \$75,000,000 to finance and refinance a qualified residential rental project for the benefit of Olive Park Apartments I, LP, a California Limited Partnership (or an affiliate), and certain other matters relating thereto.

### **BACKGROUND AND ANALYSIS**

In response to a Notice of Funding Availability (NOFA) issued in 2024, the Oceanside City Council, on June 26, 2024, awarded \$6 million in funding and 40 Housing Choice Project Based Vouchers (PBVs) and 15 U.S. Department of Housing and Urban Development (HUD) Veterans Affairs Supportive Housing (VASH) vouchers to the proposed 199-unit Olive Park Apartments (the "Project") to assist with the anticipated funding gap for the development and construction of the Project. The City's financial commitment to the Project is conditioned upon the successful application for multifamily housing revenue bonds and the companion Low-Income Housing Tax Credits to fund the majority of the Project's costs.

An application was submitted in September 2025 to the California Debt Limit Allocation Committee (CDLAC), the State bonding authority, and for the companion tax credits. The City's contribution to the Project improves the Project's competitiveness for Bonds and LIHTCs, which is a highly competitive funding source that often receives more requests than the funding available. On December 10, 2025, the Project was awarded an allocation of tax-exempt bonds.

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 Olive Park Apartments I, LP (the

“Borrower”), a California limited partnership to serve as the conduit bond issuer of revenue bonds in an aggregate amount not to exceed \$75,000,000 (the “Bonds”) . The proceeds of the Bonds will be used to finance or refinance the acquisition, construction, development and equipping of the Project located on an approximately 6.11-acre parcel situated south of Oceanside Boulevard and the North County Transit District rail line, north/northwest of College Boulevard and the western terminus of Olive Drive, and east of Rancho del Oro Road in the City of Oceanside, California (the “City”).

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 (and following).

In compliance with Section 147(f) of the Internal Revenue Code of 1986, reflecting the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), a public hearing (the “TEFRA hearing”) must be held to provide the public an opportunity to comment on the use of the tax-exempt funds to finance the Project. Reasonable notice of the TEFRA Hearing to members of the community must be published by the agency conducting the hearing seven days prior to. Although the CMFA will issue the bonds, in order for all or a portion of the Bonds to qualify as tax-exempt bonds, Section 147(f) of the Code requires that the applicable elected representative of the governmental unit hosting the Project must provide its approval of the issuance of the Bonds for the financing of the Project following the close of the TEFRA hearing.

On Tuesday, January 6, 2026, a notice was published on the City’s website ( [www.ci.oceansideca.ca.us](http://www.ci.oceansideca.ca.us) <<http://www.ci.oceansideca.ca.us>> ), under that website's link entitled “Legal Notices” (<<https://www.ci.oceansideca.ca.us/residents/city-services/legal-notices>> ), informing the public that a public hearing would be held by the City Council on Wednesday, January 14, 2026 at 6:00 p.m. This public hearing allows for an opportunity for the public to provide comments regarding the issuance of the Bonds and the Project for which Bond funds will be allocated. Following the public comment period and hearing, the City Council will consider approving the issuance, sale, and delivery of the Bonds by the CMFA.

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.

## Project Financing

The Borrower has secured all financing for the project and is ready to proceed with construction. Total project costs are estimated at \$144 million, with a maximum of \$6 million and 40 PBVs and 15 VASH vouchers from the City to assist with the development of the Project. The Borrower has asked

the CMFA to issue the Bonds for its qualified residential rental project in accordance with Section 142 (a)(7) of the Internal Revenue Code.

## **CMFA**

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.

## **FISCAL IMPACT**

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. 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**

On May 9, 2024, the Housing Commission, by a vote of 9-0, expressed its support of the Project with its recommendation that the City Council and Community Development Commission conditionally approve financial assistance and an allocation of Project Based Vouchers for the Project.

## **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  
Reviewed by: Leilani Hines, Housing and Neighborhood Services Director  
Submitted by: Jonathan Borrego, City Manager

## **ATTACHMENTS**

1. Staff Report
2. Resolution
3. Location Map

4. TEFRA Notice Proof of Publication