



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
December 20, 2022

TOPIC: Conduct a Tax Equity Fiscal Responsibility Act (TEFRA) Hearing for First Point I Apartments and Approve TEFRA Resolution

AGENDA TITLE:

Conduct a TEFRA Hearing for the First Point Apartments I and Accept a Resolution Approving the Issuance by the California Municipal Finance Authority of Exempt Facility Bonds for a Qualified Residential Rental Project

RECOMMENDED ACTION

1. Conduct a Tax Equity and Financial Responsibility Act Hearing in consideration of the issuance of tax exempt bond financing by the California Municipal Finance Authority (the "CMFA") on behalf of the Santa Ana Pacific Associates, L.P. to finance or refinance the acquisition, construction, improvement and equipping of First Point Apartments I, a multifamily rental housing project located at 2114 E. 1st Street, Santa Ana, California (the "Project").
2. Adopt a resolution approving the issuance of revenue bonds by the CMFA in an amount not to exceed \$123,000,000 for the purpose of financing the Project.

DISCUSSION

Santa Ana Pacific Associates, L.P., a California Limited Partnership created by Pacific West Communities, Inc. (the "Developer"), has requested that the CMFA adopt a financing plan. The financing plan will provide for the issuance of revenue bonds and refunding bonds in an aggregate principal amount not to exceed \$123,000,000 (the "Bonds"). These Bonds may be issued from time to time, in multiple series and used for the Project.

In order for all or a portion of the Bonds to qualify as tax-exempt bonds, the City of Santa Ana must conduct a public hearing (the "TEFRA Hearing") providing members of the community an opportunity to speak in favor of or against the use of tax-exempt bonds by the Developer. Following the close of the TEFRA Hearing, the Mayor or designee will execute the approval of the issuance of the Bonds by the CMFA for the financing of the Project in the form of a Resolution (Exhibit 1).

The Bonds to be issued by the CMFA are the sole responsibility of the Developer. The City has no financial or legal liability for the Project or repayment of the Bonds, and the Bonds do not constitute any type of indebtedness for the City.

The Board of Directors of the California Foundation for Stronger Communities, a California non-profit public benefit corporation, acts as the Board of Directors for the CMFA. Through its conduit issuance activities, the CMFA shares a portion of the issuance fees it receives with its member communities and donates a portion of these issuance fees to the Foundation for the support of local charities.

Project Description

First Point Apartments I is a new construction project located in Santa Ana on a 3.98-acre site. The project consists of 343 restricted rental units and 3 unrestricted managers' units. The project will have 26 one-bedroom units, 160 two-bedroom units, 84 three-bedroom units and 76 four-bedroom units. The building will be a six-story, wood frame structure on top of a parking podium. Common amenities will include community gathering areas, community rooms, a playground, exercise room, computer room and community laundry facilities. Each unit will have a refrigerator, dishwasher, garbage disposal, range with an oven and covered patio or balcony. This development will provide 343 units of affordable housing for a 55 year period.

FISCAL IMPACT

The City received a payment of \$928 to hold a TEFRA Hearing for this project that was deposited into the Miscellaneous Revenue account 01102002-53902 TEFRA Hearing Fee.

EXHIBIT(S)

1. TEFRA Resolution

Submitted By: Michael L. Garcia, Executive Director of Community Development

Approved By: Kristine Ridge, City Manager