

City of Simi Valley
Staff Report

March 23, 2026

To: City Council

From: Office of the City Manager
Luis Garibay, Assistant City Manager

Subject: A Public Hearing to consider adoption of a resolution approving the issuance of revenue bonds by the California Municipal Finance Authority to finance or refinance the acquisition, construction, improvement, and equipping of a multifamily rental housing project located at 2267 & 2295 Tapo Street, Simi Valley, California

Staff Recommendation

It is recommended that the City Council:

1. Conduct the public hearing under the requirements of the Tax Equity Fiscal Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended;
2. Adopt Resolution No. 2026-06 approving the issuance of revenue bonds by the California Municipal Finance Authority (CMFA) in an aggregate principal amount not to exceed \$60,000,000 for the benefit of Simi Valley Pacific Associates II, LP (SVPA), to provide for the financing or refinance of the acquisition, construction, improvement and equipping of a multifamily rental housing project, such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and the California Government Code Section 6500 (and following);
3. Take such additional, related action that may be desirable.

Background

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. 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. To date, over 350 municipalities have become members of CMFA.

On March 31, 2014, the City Council adopted Resolution No. 2014-11, approving a Joint Powers Agreement with the CMFA, authorizing the City's membership for the purpose of promoting economic, cultural, and community development, and in order to exercise any powers common to the Members, including the issuance of bonds. Under the CMFA program, the City must approve the issuance of the bonds so they may be issued as tax exempt bonds. The City would assume no responsibility for the issuance or repayment of

the bonds; SVPA would be obligated to repay the bonds. To facilitate SVPA's participation in CMFA financing, the City Council is being asked to approve the issuance of the bonds.

Discussion

On June 25, 2025, the City received a Planned Development Permit Application (PD-S-2025-0007) from AMG & Associates, LLC, on behalf of SVPA, for a 240-unit mixed-use affordable apartment project located at 2267 & 2295 Tapo Street (Tapo Street Apartments). SVPA requested that CMFA serve as the municipal issuer of the bonds in an aggregate principal amount not to exceed \$60,000,000 of tax-exempt revenue bonds. The proceeds of the Bonds will be used to finance or refinance the acquisition, construction, improvement, and equipping of the Tapo Street Apartments project.

The bonds issued by CMFA for any project, including the Tapo Street Apartments project, are the sole responsibility of the borrowers, and the City will have no financial, legal, or moral obligation, liability, or responsibility for the project or the repayment of the bonds for the financing of the project. All financing documents relating to the issuance of the Bonds will contain clear disclaimers stating that the Bonds are not obligations of the City or the State of California and are to be paid solely from funds provided by the Borrower.

Pursuant to Section 147(f) of the Internal Revenue Code, in order for the bonds to qualify as tax-exempt bonds, the issuance of bonds by CMFA must be approved by the public entity at a public hearing following reasonable notice. Here, the Borrower requested that the City conduct the public hearing. The City published a Notice of Public Hearing in the Ventura County Star on March 11, 2026, and the public hearing provides the opportunity for all interested persons to speak or submit written comments concerning the proposal to issue tax-exempt bonds for the financing of the Project and the nature or location of the facility to be financed.

The action before the City Council is solely to authorize the issuance of bonds for the Tapo Street Apartment project. This action does not constitute approval of the project and it must still go through the City's existing review and approval processes.

Financial Impact

Based on CMFA's current fee schedule, the City estimates it will receive approximately \$22,000 if the full amount of bonds requested for the SVPA project is issued. Actual amounts depend on final bond sizing and CMFA fee calculations at closing.

City Council Priority

This item supports the City Council's Pillar of Excellence of promoting Economic Vitality by facilitating infrastructure, financing and supporting responsible development.

Suggested Motion

I move that the City Council adopt Resolution No. 2026-06 approving the issuance of revenue bonds by the California Municipal Finance Authority in an aggregate principal amount not to exceed \$60,000,000 for the benefit of Simi Valley Pacific Associates II, LP, to provide for the financing or refinancing of the acquisition, construction, improvement, and equipping of the Tapo Street Apartments.

Summary

Simi Valley Pacific Associates II, LP is seeking tax-exempt financing through the California Municipal Finance Authority (CMFA) to support the Tapo Street Apartments project, a 240-unit mixed-use affordable housing project located at 2267 and 2295 Tapo Street. A TEFRA public hearing must be held to consider approval of the CMFA's issuance of up to \$60 million in tax-exempt revenue bonds for the project. This action fulfills the requirements of Section 147(f) of the Internal Revenue Code so the bonds may qualify as tax-exempt. The City will not bear any financial, legal, or moral obligation for the repayment of the bonds or the project itself; all responsibilities rest solely with the borrower. Approval of the bond issuance does not constitute approval of the development, which must still undergo the City's standard planning and entitlement processes.

Prepared by: Angel Sierra, Assistant to the City Manager

Attachment:

Attachment A – Resolution No. 2026-06

RESOLUTION NO. 2026-06

RESOLUTION APPROVING THE ISSUANCE OF EXEMPT FACILITY BONDS FOR A QUALIFIED RESIDENTIAL RENTAL PROJECT BY THE AUTHORITY FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, REHABILITATION AND IMPROVEMENT OF CERTAIN FACILITIES FOR THE BENEFIT OF SIMI VALLEY PACIFIC ASSOCIATES II, LP

The City Council of the City of Simi Valley resolves as follows:

SECTION 1: The City Council finds and declares as follows:

- A. The California Municipal Finance Authority (the "Authority") is authorized pursuant to Government Code §§ 6500, *et seq.* and the terms of a Joint Exercise of Powers Agreement, dated January 1, 2004 (the "Agreement"), among certain local agencies throughout the State of California, to issue revenue bonds for the purpose of promoting economic development in the state of California.
- B. Simi Valley Pacific Associates II, LP (the "Borrower") a partnership of which Pacific West Communities, Inc. (the "Developer") or a related person to the Developer is the general partner, has requested that the California Municipal Finance Authority (the "Authority") adopt a plan of financing providing for the issuance of exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Internal Revenue Code of 1986 (the "Code") in one or more series issued from time to time, including bonds issued to refund such exempt facility bonds in one or more series from time to time, and at no time to exceed \$60,000,000 in aggregate principal amount (the "Bonds"), to finance or refinance the acquisition, construction, improvement and equipping of a multifamily rental housing project located at 2267 & 2295 Tapo Street, Simi Valley, California (the "Project").
- C. The Bonds or a portion thereof will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"). Pursuant to Section 147(f) of the Code, before their issuance, private activity bonds are required to be approved by the "applicable elected representative" of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice;
- D. The members of this City Council ("Council") are the applicable elected representatives of the City;
- E. Notice of this public hearing was published in a newspaper of general circulation regarding the Bonds at least 10 days before the public hearing.

Such public hearing was conducted on such date, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds;

- F. It is intended that this Resolution constitutes the approval of the issuance of the Bonds required by Section 147(f) of the Code and Section 4 of the Agreement.
- G. The Authority is authorized to issue and sell revenue bonds for the purpose, among others, of financing or refinancing the construction, acquisition and rehabilitation of capital projects.

Section 2. The Council approves the issuance of the Bonds by the Authority. It is the purpose and intent of the Council that this resolution constitutes approval of the Bonds for the purposes of (a) Section 147(f) of the Code and (b) Section 4 of the Agreement.

Section 3. The officers of the City are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing approved hereby.

Section 4. The issuance of the Bonds is subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City has no responsibility or liability whatsoever with respect to the Bonds.

Section 5. The adoption of this Resolution does not obligate the City to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, construction, rehabilitation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

Section 6. The executing officers(s), the City Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

Section 7. The City Clerk must forward a certified copy of this Resolution and an originally executed Agreement to the Authority in care of its counsel:

Section 8. This Resolution takes effect immediately upon its passage.

PASSED AND ADOPTED this 23rd day of March.

Attest:

Lucy Blanco, City Clerk

Dee Dee Cavanaugh, Mayor of the City of
Simi Valley, California

Approved as to Form:

Approve as to Content:

Algeria R. Ford, City Attorney

Samantha C. Argabrite, City Manager