



# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

NORA VARGAS  
First District

JOEL ANDERSON  
Second District

TERRA LAWSON-REMER  
Third District

NATHAN FLETCHER  
Fourth District

JIM DESMOND  
Fifth District

**DATE:** May 18, 2021

**13**

**TO:** Board of Supervisors

### SUBJECT

**NOTICED PUBLIC HEARING: ISSUANCE OF MULTIFAMILY HOUSING REVENUE OBLIGATIONS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FOR THE BENEFIT OF FAIRFIELD PARK CREST LP, IN AN AGGREGATE AMOUNT NOT TO EXCEED \$38,000,000 (DISTRICT: 4)**

### OVERVIEW

The County has received a request from the California Statewide Communities Development Authority ("CSCDA" or "Authority") to conduct a public hearing as required by the Internal Revenue Code and to approve the Authority's issuance of one or more series of multifamily housing revenue obligations in an aggregate principal amount not to exceed \$38,000,000 (the "Obligations"), for the benefit of Fairfield Park Crest LP (the "Borrower"). The Borrower has applied for the financial assistance of the Authority to: finance or refinance the acquisition, rehabilitation and development of a multifamily rental housing project located at 4552 Logan Avenue, San Diego, California ("Project").

The Authority is authorized to assist in financing for nonprofit public benefit organizations or for-profit corporations with a public benefit project wishing to issue revenue obligations, including the Borrower. In order to initiate such a financing, the Borrower is asking the County of San Diego, a member jurisdiction in which the project resides to: (1) conduct a public hearing to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code; and (2) approve the Authority's issuance of the Obligations. Although the Authority will be the issuer of the Obligations for the Borrower, the financing cannot proceed without the approval of an applicable legislative body.

Today's recommendations will provide the Authority with the required authorization to pursue its determination to issue the Obligations on behalf of the Borrower for the Project.

### RECOMMENDATION(S)

#### CHIEF ADMINISTRATIVE OFFICER

- ~~1. Pursuant to Section 147(f) of the Internal Revenue Code, hold a public hearing regarding the financing of the Project.~~

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2. ~~Adopt a Resolution entitled:~~

~~RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING THE ISSUANCE OF CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY MULTIFAMILY HOUSING REVENUE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$38,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, REHABILITATION, IMPROVEMENT AND EQUIPPING OF PARK CREST APARTMENTS~~

### **FISCAL IMPACT**

If approved, the proposal will result in approximately \$1,030 of unanticipated revenue to be used to reimburse the County for costs associated with this non-County financing.

The Borrower will be responsible for the payment of all present and future costs in connection with issuance of the financing. The County will incur no obligation of indebtedness as a result of these actions.

### **BUSINESS IMPACT STATEMENT**

N/A

**THIS ITEM HAS BEEN WITHDRAWN AT THE REQUEST OF THE CHIEF ADMINISTRATIVE OFFICER**

### **ADVISORY BOARD STATEMENT**

The Debt Advisory Committee, composed of the Assistant Chief Administrative Officer, the Deputy Chief Administrative Officer/Chief Financial Officer, Auditor and Controller, and the Treasurer-Tax Collector, concurs with this recommendation.

### **BACKGROUND**

#### **California Statewide Communities Development Authority (“CSCDA”)**

CSCDA was created to provide local governments, nonprofit public benefit corporations and private entities access to low-cost, tax-exempt and taxable financing for projects that create jobs, help communities prosper and improve the quality of life in California. CSCDA has issued more than \$60 billion on behalf of such entities since its creation in 1988.

CSCDA is a California joint exercise of powers authority, organized and existing under the laws of the State of California (specifically, California Government Code Section 6500 and following), and is sponsored by the League of California Cities and the California State Association of Counties. Under the California Government Code, cities and counties are authorized to form by agreement a governmental entity that combines the powers of such entities to perform certain governmental functions specifically outlined in the Agreement. Over 530 California cities, counties and special districts, including the County of San Diego, have entered into and executed the agreement to become a member of CSCDA. CSCDA is authorized to assist in the financing of public benefit facilities.

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**Fairfield Residential Holdings (“Borrower” or “Fairfield”)**

The Borrower is a single purpose limited partnership that is organized for all affordable housing projects seeking bonds and credits. Fairfield is the General Partner. Fairfield is a fully integrated development company, general contractor, and property management firm with considerable expertise in tax-exempt bond financing and with low-income housing tax credit programs. These programs have been the principal funding sources for over 6,400 affordable residential units in 30 projects built or renovated by Fairfield. Nationally, Fairfield is among the most experienced multifamily real estate operating companies in the United States. Fairfield has developed or acquired 917 total multifamily communities consisting of over 262,500 apartment homes with equity of over \$10.4 billion and total project costs of over \$34.3 billion in its proud 35-year history.

**Project**

The Park Crest apartment complex has 12 two-story residential buildings located at 4552 Logan Avenue, San Diego, California. There is a one-story community building with a leasing office and a community room. There are 111 two-bedroom units, 28 three-bedroom units, and one two-bedroom manager’s unit. There are 90 parking spaces, all of which are surface parking spots. Site amenities include: a community building with a kitchen, laundry rooms, and a playground. Unit amenities include: central heating system, window coverings, and energy efficient appliances.

The proceeds of the Obligations will be used to finance or refinance the acquisition, rehabilitation and development of this multifamily rental housing project.

On May 5, 2020 (05), the Board of Supervisors (“Board”) approved the issuance of multifamily housing revenue obligations for this project, this approval gave the Borrower authority to apply to the California Debt Limit Allocation Committee (CDLAC) for issuance of obligations. Due to the limited allocation available for California projects, the Borrower had to wait until a funding award was issued by CDLAC for this project. The Borrower received an award from CDLAC and issuance of obligations is anticipated in 2021. Due to the award delay and due to the fact that a TEFRA is only valid for one year, a public hearing must be held and project approved by the Board of Supervisors a second time.

**Public Benefit**

This financing will preserve 139 units of affordable housing in the City of San Diego for the next 55 years.

**County Involvement**

Section 147(f) of the Internal Revenue Code requires that an applicable elected body, with respect to the Project, hold a public hearing and approve the issuance and delivery of the Obligations. The Board of Supervisors of the County of San Diego, as an applicable elected body, is requested to

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(1) hold a public hearing at which all those interested in speaking with respect to the financing of the Project can be heard and (2) approve the issuance of the Obligations. The Borrower shall be responsible for the payment of all present and future costs in connection with the issuance of the Obligations.

**LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN**

Today's proposed action supports the Operational Excellence Strategic Initiative in the County of San Diego's 2021-2026 Strategic Plan by supporting and allowing the issuance of multifamily housing revenue obligations by CSCDA for the Fairfield Park Crest LP to finance or refinance a multifamily rental housing project located at 4552 Logan Avenue, San Diego, California.

Respectfully submitted,



HELEN N. ROBBINS-MEYER  
Chief Administrative Officer

**ATTACHMENT(S)**

1. County Resolution
2. Notice of Public Hearing
3. CSCDA Project Application for Bond

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**AGENDA ITEM INFORMATION SHEET**

**REQUIRES FOUR VOTES:** ☐ Yes ☒ No

**WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED**  
☐ Yes ☒ No

**PREVIOUS RELEVANT BOARD ACTIONS:**

May 5, 2020 (5), Noticed Public Hearing: Issuance of Multifamily Housing Revenue Obligations by the California Statewide Communities Development Authority for the benefit of Fairfield Park Crest L.P. in an aggregate amount not to exceed \$38,000,000 (District: 4)

**BOARD POLICIES APPLICABLE:**

N/A

**BOARD POLICY STATEMENTS:**

N/A

**MANDATORY COMPLIANCE:**

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):**

N/A

**ORIGINATING DEPARTMENT:** Finance and General Government Group

**OTHER CONCURRENCE(S):** Debt Advisory Committee

**CONTACT PERSON(S):**

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