



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

PALOMA AGUIRRE
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: March 24, 2026

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TO: Board of Supervisors

SUBJECT

APPROVING THE ISSUANCE OF EXEMPT FACILITY BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$13,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, DEVELOPMENT, CONSTRUCTION, AND EQUIPPING OF THE 2851 COMMERCIAL APARTMENT PROJECT (DISTRICT: 1)

OVERVIEW

The County of San Diego (“County”) has received a request from the California Municipal Finance Authority (“CMFA” or “Authority”) to approve the Authority’s issuance of exempt facility bonds in an aggregate principal amount not to exceed \$13,000,000 (the “Bonds”), for the benefit of SLT 2851 Commercial St, LP, a California limited partnership (the “Borrower”). The Borrower has requested that the Authority participate in the issuance of the Bonds to finance or refinance the acquisition, development, construction, and equipping of a 70 unit (including 1 manager’s unit) multifamily rental housing project located within the County at 2851 Commercial Street, San Diego, California 92113 (collectively, the “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 bonds, including the Borrower. In order to initiate such a financing, the Borrower is asking the County, a member jurisdiction in which the project resides to approve the Authority’s issuance of the Bonds. Although the Authority will be the issuer of the Bonds for the Borrower, the financing cannot proceed without the approval of an applicable legislative body.

Pursuant to Section 147(f) of the Internal Revenue Code, a public hearing was held on March 3, 2026. There were no comments from the public at that hearing.

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

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

Adopt a Resolution entitled:

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RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING THE ISSUANCE AND REISSUANCE OF CALIFORNIA MUNICIPAL FINANCE AUTHORITY MULTIFAMILY HOUSING EXEMPT FACILITY BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$13,000,000 FOR THE PURPOSE OF FINANCING AND/OR REFINANCING THE ACQUISITION, DEVELOPMENT, CONSTRUCTION, AND EQUIPPING OF A QUALIFIED RESIDENTIAL RENTAL PROJECT TO BE KNOWN AS THE 2851 COMMERCIAL STREET APARTMENTS

EQUITY IMPACT STATEMENT

This financing will help in the creation of quality, affordable housing for 69 low-income households in San Diego County. The bonds issued will be used to finance or refinance the acquisition, development, construction, and equipping of a multifamily rental housing project located at 2851 Commercial Street, San Diego, California. The obligations will assist the Borrower to offer low-income living arrangements for households in San Diego County.

SUSTAINABILITY IMPACT STATEMENT

The proposed action would result in economic benefits for the community by allowing the borrower to serve 69 low-income households in San Diego County This financing will contribute to the County of San Diego’s (County) Sustainability Goal No. 2, providing just and equitable access, by increasing investment in underserved communities of San Diego County.

FISCAL IMPACT

If approved, the proposal will result in approximately \$991 of unanticipated revenue to be used to reimburse the County of San Diego (County) for staff costs associated with this non-County financing. There will be no change in net General Fund cost and no additional staff years.

The Borrower will be responsible for the payment of all present and future costs in connection with the reissuance of the financing related to the Project. The County will incur no obligation of indebtedness as a result of today’s actions.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

The Debt Advisory Committee, composed of representatives from the Chief Financial Officer, the Auditor and Controller, and the Treasurer-Tax Collector, concurs with this recommendation.

BACKGROUND

California Municipal Finance Authority (“CMFA” or “Authority”)

The CMFA provides tax-exempt financing for qualified projects located throughout the State of California. The Authority’s mission is to support economic development, job creation, and social

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programs throughout the State. By assisting nonprofit corporations and/or for-profit entities with various tax-exempt financing programs, the Authority is able to support programs that improve the health and welfare of California residents. The Authority finances a broad range of facilities including nonprofit projects such as education, health care and cultural facilities, affordable multi-family and senior housing, manufacturing facilities and equipment, solid waste, water, wastewater treatment facilities and infrastructure projects and government sponsored financing.

Borrower

SLT 2851 Commercial St, LP (the “Borrower”) is a limited partnership of which SoLa Impact LLC (the “Developer”) or a related person to the Developer is the general partner. SoLa Impact, LLC (“SoLa”) is a family of closed-end real-estate funds that invest in the preservation and development of affordable and workforce housing in overlooked and underinvested communities.

SoLa is currently under construction on more than 2,000 units of housing in Southern California, with an additional 1,000 units in its development pipeline. More than half of these units are covenanted at 80% Area Median Income (AMI) or below, and roughly 30% are 60% AMI or below. SoLa is Los Angeles’ largest private housing provider for Section 8 Housing Choice Voucher-holding tenants; more than 90% of SoLa’s new residents are coming directly from homelessness, and nearly 100% have experienced homelessness at some point in their lives. In addition to its ground-up portfolio, SoLa operates nearly 1,400 units of preservation housing, and is vertically integrated with in-house acquisitions, development, construction, and property management groups.

Project

The 2851 Commercial Apartments is the proposed new construction project of a 5-story building in San Diego, California. The project will consist of 70 units. The project includes 69 units that will be set aside to target tenants earning 30-70% AMI or below and there will be one unrestricted manager’s unit. Amenities include electric appliances, washer and dryer in unit, elevator, and heat/air conditioning. Adult educational classes as well as health and wellness services will be offered.

County Involvement

Section 147(f) of the Internal Revenue Code (the “Code”) requires that an applicable elected body, with respect to the Project, approve the reissuance and delivery of the Bonds following a public hearing therefore. The Board of Supervisors of the County of San Diego (County), as an applicable elected body, is requested to approve the issuance of Bonds. The Borrower shall be responsible for the payment of all present and future costs in connection with the issuance of the Bonds.

The Authority is seeking approval of the resolution from the County pursuant to Section 147(f) of the Code for this issuance.

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The Authority published a notice of public hearing in the Union Tribune on February 18, 2026, which is designed to inform members of the general public about public hearings to be held by the Authority, pursuant to Section 147(f) of the Code. The notice listed March 03, 2026 as the public hearing date with respect to the issuance of the Bonds for the Project.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action supports the Equity: Housing Strategic Initiative in the County of San Diego's 2026-2031 Strategic Plan by supporting and allowing the issuance of exempt facility bonds by CMFA for the Borrower to finance or refinance the acquisition, development, construction, and equipping of a multifamily rental housing project located within the County at 2851 Commercial Street, San Diego, California.

Respectfully submitted,



EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

1. RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING THE ISSUANCE AND REISSUANCE OF CALIFORNIA MUNICIPAL FINANCE AUTHORITY MULTIFAMILY HOUSING EXEMPT FACILITY BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$13,000,000 FOR THE PURPOSE OF FINANCING AND/OR REFINANCING THE ACQUISITION, DEVELOPMENT, CONSTRUCTION, AND EQUIPPING OF A QUALIFIED RESIDENTIAL RENTAL PROJECT TO BE KNOWN AS THE 2851 COMMERCIAL STREET APARTMENTS
2. TRANSCRIPT OF PUBLIC HEARING
3. PROOF OF NOTICE OF PUBLIC HEARING
4. CMFA PROJECT APPLICATION FOR BONDS