



# 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:** June 9, 2026

# 11

**TO:** Board of Supervisors

### SUBJECT

**APPROVING THE ISSUANCE OF CALIFORNIA MUNICIPAL FINANCE AUTHORITY REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$109,200,000 FOR THE PURPOSE OF FINANCING COST OF THE ACQUISITION, DEVELOPMENT, CONSTRUCTION, EQUIPPING AND FURNISHING OF MODERATE INCOME HOUSING FACILITIES IN SAN DIEGO (DISTRICT: 4)**

### 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 revenue bonds in an aggregate principal amount not to exceed \$109,200,000 (the “Bonds”), for the benefit of 3946 Louisiana SDHF LLC, 4617 Kansas SDHF LLC, 3974 Kansas SDHF LLC, and 4376 Oregon SDHF LLC (collectively, the “Borrowers”), each of which will be a single-member limited liability company that is treated as disregarded for federal tax purposes from its initial sole member, the San Diego Foundation. The Borrowers have requested that the Authority participate in the issuance of the Bonds to: (i) finance a portion of the 2026 Projects (as defined below); and (ii) pay costs of issuance and certain interest with respect to the Bonds.

The term “2026 Projects” means, collectively, the costs of acquisition, construction, improvement, installation, renovation, rehabilitation, furnishing and equipping of certain residential housing facilities, located at (1) 3946 Louisiana St., San Diego, California 92104 (the “Louisiana Project”), (2) 4617 – 4619 Kansas St., San Diego, California 92104 (the “Kansas 1 Project”), (3) 3974 Kansas St., San Diego, California 92104 (the “Kansas 3 Project”), and (4) 4376-4380 Oregon St., San Diego, California 92104 (the “Oregon Project”). The facilities listed above are or will be owned and operated by the Borrowers.

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 Borrowers. In order to initiate such a financing, the Borrowers are 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 Borrowers, the financing cannot proceed without the approval of an applicable legislative body.

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Pursuant to Section 147(f) of the Internal Revenue Code, a public hearing was held on May 28, 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 Borrowers for the Project.

**RECOMMENDATION(S)**  
**CHIEF ADMINISTRATIVE OFFICER**

Adopt a Resolution entitled:

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING THE ISSUANCE OF CALIFORNIA MUNICIPAL FINANCE AUTHORITY REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$109,200,000 FOR THE PURPOSE OF FINANCING COST OF THE ACQUISITION, DEVELOPMENT, CONSTRUCTION, EQUIPPING AND FURNISHING OF MODERATE INCOME HOUSING FACILITIES IN SAN DIEGO

**EQUITY IMPACT STATEMENT**

This financing will help in the creation of quality, residential housing for 257 moderate-income households in San Diego County. The bonds issued will be used to: (i) finance a portion of the 2026 Projects; and (ii) pay costs of issuance and certain interest with respect to the Bonds. The obligations will assist the Borrower to offer moderate-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 257 moderate-income households in the San Diego County. This financing will contribute to the County's 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 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 Borrowers 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.

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**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 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.

**Borrowers**

The 2026 Projects are to be owned and operated by 3946 Louisiana SDHF LLC, 4617 Kansas SDHF LLC, 3974 Kansas SDHF LLC, and 4376 Oregon SDHF LLC (collectively, the “Borrowers”), each of which will be a single-member limited liability company that is treated as disregarded for federal tax purposes from its initial sole member, the San Diego Foundation, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code (the “Foundation”). Each Borrower shall own and operate the project identified by its respective name.

The San Diego Foundation is a premier community foundation, established in 1975, that partners with donors and nonprofits to improve quality of life across San Diego County. It has granted over \$2 billion, supporting causes like education, environmentalism, housing, and social justice. As of 2026, the Foundation manages over \$1.7 billion in assets across 2,400+ funds, providing substantial, ongoing philanthropic resources for the region. They partner directly with local nonprofits for community initiatives, such as climate resilience and youth education.

**2026 Projects**

The Oregon project is a new construction, ground-up development that will offer 73 units of moderate income housing situated in a 7-story, Type IV-C building on 0.16 acres (6,995 SF). The project includes a mix of primarily studios, one-bedroom, and two-bedroom units, all restricted at 80% Area Median Income (AMI). The building will include a lobby and a roof-level terrace, along

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with bicycle storage for residents. Bonds issued for this Project will at no time exceed an aggregate principal amount of \$31,200,000.

The Louisiana project is a new construction, ground-up development that will offer 38 units of 100% moderate income housing situated in a 5-story, Type III wood-framed building on 0.13 acres (5,585 SF). The project includes 38 studio units, all restricted at 80% AMI. The project will provide bicycle storage. Bonds issued for this Project will at no time exceed an aggregate principal amount of \$17,500,000.

The Kansas 1 project is a new construction, ground-up development that will offer 73 units of moderate income housing situated in a 7-story, Type IV-C building on 0.16 acres (6,972 SF). The project includes a mix of primarily studios and one-bedroom units, all restricted at 80% AMI. The building will include a lobby at the Kansas Street frontage and a roof-level amenity space, along with bicycle storage for residents. Bonds issued for this Project will at no time exceed an aggregate principal amount of \$30,000,000.

The Kansas 3 project is a new construction, ground-up development that will offer 73 units of moderate income housing situated in a 5-story, Type IV-C building on 0.16 acres (6,998 SF). The project includes 73 units with a mix of studios, one-bedroom units, and two-bedroom units all restricted at 80% AMI. The project will include bicycle storage for residents. Bonds issued for this Project will at no time exceed an aggregate principal amount of \$30,500,000.

### **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 issuance 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.

The Authority published a notice of public hearing in the Union Tribune on May 21, 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 May 28, 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

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bonds by California Municipal Finance Authority for the Borrower to finance or refinance the acquisition and rehabilitation of a multifamily rental housing project located within the County.

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 OF CALIFORNIA MUNICIPAL FINANCE AUTHORITY REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$109,200,000 FOR THE PURPOSE OF FINANCING COST OF THE ACQUISITION, DEVELOPMENT, CONSTRUCTION, EQUIPPING AND FURNISHING OF MODERATE INCOME HOUSING FACILITIES IN SAN DIEGO
2. TRANSCRIPT OF PUBLIC HEARING
3. PROOF OF NOTICE OF PUBLIC HEARING
4. CMFA PROJECT APPLICATION FOR BONDS