

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, FEBRUARY 25, 2025**

MINUTE ORDER NO. 8

- 8. SUBJECT: NOTICED PUBLIC HEARING (TEFRA):
ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA PUBLIC
FINANCE AUTHORITY FOR THE BENEFIT OF PROVIDENT
RESOURCES GROUP INC., AND ITS SUBSIDIARIES, IN AN
AGGREGATE AMOUNT NOT TO EXCEED \$120,000,000 AND
RELATED APPROVALS (DISTRICT: 4)**

OVERVIEW

The County has received a request from the California Public Finance Authority (“CalPFA” or the “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 revenue bonds in an aggregate principal amount not to exceed \$120,000,000 (the “Bonds”) to be issued for the benefit of Provident Resources Group Inc. (the “Corporation”), and its subsidiaries including particularly a California limited liability company (the “Borrower”), to be formed by and whose sole member will be the Corporation. Net proceeds of the Bonds will be loaned to the Borrower to finance the acquisition, design, development, construction, ownership, furnishing, equipping, improvement and operation of a five-story residential rental project to consist of 182 units with 147 residential parking spaces at 6650 Montezuma Rd, San Diego, California 92115 (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: (1) conduct a public hearing to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986 (the “Code”); (2) approve the Authority’s issuance of the Bonds; (3) find that the Project satisfies a legitimate governmental burden and public purpose of the County including that the Project will lessen and accomplish the housing goals and mandates of the County by providing needed affordable housing to households and students within the County (the “Governmental Burden” as described below); and (4) deem the resolution as an approval for the Corporation and the Borrower to undertake the Project for the benefit of the County and its residents and to lessen such Governmental Burden. Although the Authority will be the issuer of the Bonds for the benefit of the Borrower, the financing cannot proceed without the approval of an applicable legislative body.

The current owner of the unimproved site of the Project, has requested in cooperation with the Corporation and the Borrower, that the Authority issue qualified 501(c)(3) bonds as defined in Section 145 of the Code, in one or more series, from time to time pursuant to a plan of finance, in an aggregate principal amount not to exceed \$120,000,000, the proceeds of which are to be loaned to the Borrower to finance the acquisition, design, development, construction, ownership, furnishing, equipping, improvement and operation of the Project.

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, and provide the Borrower with a factual basis on which to make certain federal tax representations with respect to the charitable purpose of the Project proceeding in a way that lessens a Governmental Burden by providing housing of this type for the benefit of the County and its residents.

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.
2. Adopt a Resolution entitled:
RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING (A) THE ISSUANCE BY CALIFORNIA PUBLIC FINANCE AUTHORITY OF ITS BONDS FOR THE BENEFIT OF PROVIDENT RESOURCES GROUP INC., AND ITS SUBSIDIARIES, IN ONE OR MORE SERIES, FROM TIME TO TIME PURSUANT TO A PLAN OF FINANCE, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$120,000,000 TO FINANCE AND/OR REFINANCE THE ACQUISITION, RENOVATION, CONSTRUCTION, FURNISHING, EQUIPPING AND IMPROVEMENT OF THE OASIS HOUSING PROJECT AND (B) A LESSENING OF THE BURDENS OF GOVERNMENT BY PROVIDENT RESOURCES GROUP INC. AND ITS SUBSIDIARIES PROCEEDING WITH THE PROJECT FOR THE BENEFIT OF THE COUNTY AND ITS RESIDENTS.

EQUITY IMPACT STATEMENT

This financing will help to increase the supply of housing, including rental housing for students enrolled in institutions of higher education within the County, in furtherance of State of California legal mandates and in furtherance of the intent of the County's Innovative Housing Trust Fund (Section 232.5 of Article XV of the San Diego County Code of Administrative Regulations) and related policies, to provide safe, affordable housing for the community.

SUSTAINABILITY IMPACT STATEMENT

The proposed action is expected to result in economic benefits for the community by furthering the County's goals to maximize resources, balance priorities, and further the Board's efforts to meet San Diego's housing needs in ways that align with our core values of integrity, belonging, excellence, access, sustainability, and equity. This financing will allow the Borrower to construct, operate and maintain additional housing for the benefit of the County and its residents, including rental housing for students enrolled in institutions of higher education within the County.

FISCAL IMPACT

If approved, the proposal will result in approximately \$991 of unanticipated revenue to be used to reimburse the 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 issuance 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

ACTION:

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Desmond, the Board of Supervisors closed the Hearing and took action as recommended, adopting Resolution No. 25-011 entitled: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING (A) THE ISSUANCE BY CALIFORNIA PUBLIC FINANCE AUTHORITY OF ITS BONDS FOR THE BENEFIT OF PROVIDENT RESOURCES GROUP INC., AND ITS SUBSIDIARIES, IN ONE OR MORE SERIES, FROM TIME TO TIME PURSUANT TO A PLAN OF FINANCE, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$120,000,000 TO FINANCE AND/OR REFINANCE THE ACQUISITION, RENOVATION, CONSTRUCTION, FURNISHING, EQUIPPING AND IMPROVEMENT OF THE OASIS HOUSING PROJECT AND (B) A LESSENING OF THE BURDENS OF GOVERNMENT BY PROVIDENT RESOURCES GROUP INC. AND ITS SUBSIDIARIES PROCEEDING WITH THE PROJECT FOR THE BENEFIT OF THE COUNTY AND ITS RESIDENTS.

AYES: Anderson, Lawson-Remer, Montgomery Steppe, Desmond

ABSENT: (District 1 Seat Vacant)

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter