



# 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

# 12

**TO:** Board of Supervisors

### SUBJECT

**APPROVING THE ISSUANCE OF EXEMPT FACILITY BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY IN AN AGGREGATE AMOUNT NOT TO EXCEED \$20,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF THE 5370 NAPA APARTMENT PROJECT (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 exempt facility bonds in an aggregate principal amount not to exceed \$20,000,000 (the “Bonds”), for the benefit of Napa Street San Diego 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, improvement, and equipping of a multifamily rental housing project located within the County at 5370-5390 Napa Street, San Diego, California 92110 (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 OF CALIFORNIA MUNICIPAL FINANCE AUTHORITY EXEMPT FACILITY BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF THE 5370 NAPA APARTMENT PROJECT

**EQUITY IMPACT STATEMENT**

This financing will help in the creation of quality, affordable housing for 100 low-income households in San Diego County. The bonds issued will be used to finance or refinance the acquisition, construction, improvement, and equipping of a multifamily rental housing project located at 5370-5390 Napa Street, San Diego, California 92110. 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 100 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 programs throughout the State. By assisting nonprofit corporations and/or for-profit entities with

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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**

Napa Street San Diego LP (the “Borrower”) is a limited partnership of which Cypress Equity Investments LLC (the “Developer”) or a related person to the Developer is the general partner. Cypress Equity Investments LLC (“CEI”) is a national real estate developer and investor with a focus on multifamily and self-storage assets. Since 2001, CEI has purchased, developed, and invested in 156 projects, amassing a portfolio and pipeline in excess of 21,000 multifamily units as well as select commercial projects amounting to more than \$13 billion of value. CEI’s current pipeline of 2025-2026 starts totals over \$2 billion in capitalization.

### **Project**

The 5370 Napa Apartments is a new construction project of 100 units in a 6-story elevator-serviced multifamily building in San Diego, CA. It consists of 15 studio units, 35 one-bedroom, 25 two-bedroom, and 25 three-bedroom units. The project is 100% affordable with an average affordability of 60% of Area Median Income (AMI), with units ranging from 30% to 70% AMI. 5370 Napa will include onsite property management, resident services, interior common space and management offices, a common laundry room, exterior rooftop space for outdoor gathering, and indoor bicycle parking. It will include onsite ground level parking.

### **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 (the “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 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.

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**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 California Municipal Finance Authority for the Borrower to finance or refinance the acquisition, construction, improvement, and equipping 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 EXEMPT FACILITY BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF THE 5370 NAPA APARTMENT PROJECT
2. TRANSCRIPT OF PUBLIC HEARING
3. PROOF OF NOTICE OF PUBLIC HEARING
4. CMFA PROJECT APPLICATION FOR BONDS