



SUMMARY REPORT

Agenda Date: 8/12/2025

To: Board of Supervisors of Sonoma County and the Board of Commissioners of the Community Development Commission

Department or Agency Name(s): Community Development Commission

Staff Name and Phone Number: Michelle Whitman, 707-565-7504

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

Public Hearing and Adoption of Resolution for the Cora Creek Apartments Tax Exempt Bond Financing

Recommended Action:

Conduct a public hearing and adopt a Resolution to approve a tax-exempt bond financing in an amount not to exceed \$50,000,000 to be issued by the California Municipal Finance Authority to the benefit of Cora Creek LP.

Executive Summary:

This public hearing is being conducted to adopt a resolution to authorize the California Municipal Finance Authority (the "CMFA") to approve a tax-exempt bond financing in an amount not to exceed \$50,000,000 to be issued for the benefit of Cora Creek LP (the "Borrower").

Discussion:

Cora Creek LP (the "Borrower"), a partnership of which Gallaher Community Housing, Inc. (the "Developer") or a related person to the Developer is the general partner, has requested that the California Municipal Finance Authority (the "CMFA") issue tax-exempt facility bonds for a qualified residential rental project pursuant to section 142(a)(7) of the Internal Revenue Code of 1986 (the "Code") in one or more series from time to time in an aggregate principal amount not to exceed \$50,000,000 (the "Bonds"). The Bond proceeds will be used to finance or refinance the acquisition, construction, improvement and equipping of a multifamily rental housing project known as Cora Creek Apartments and located at 8975 Conde Lane, Windsor, California (the "Project").

The CMFA is a joint powers authority created to promote economic, cultural and community development through the financing of economic development and charitable activities throughout California. To date, over 350 municipalities, including the County of Sonoma (County), have become members of CMFA. In order to initiate bond financing, a member jurisdiction of the CMFA in which the proposed project will be located must (i) conduct a public hearing and (ii) approve the CMFA's issuance of indebtedness. Therefore, although the CMFA will be the issuer of the obligation for the Borrower, and the County is not a party to the bond issuance, the County's adoption of the resolution to approve the bond issuance is an integral part of the process for

financing to proceed.

The purpose of the public hearing is to satisfy the Internal Revenue Service requirement of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and Code section 147(f) that as a condition to issuing bonds, the approval of the elected governmental offices of the jurisdiction where the project is located, or one of the jurisdictions if the project is located wholly within more than one jurisdiction, be obtained following a public hearing. The hearing allows the public an opportunity to review and make comments regarding the proposed tax-exempt financing for the project. The public notice for this hearing was properly given as required by law.

Although the project is located within the Town of Windsor limits, and therefore the Town of Windsor could hold this TEFRA hearing, the Board of Supervisors has been requested to hold the hearing for the Project as the Project is also located within the County limits. The Board has conducted similar hearings for entities in Sonoma County, with the most recent being for the Republic Services in February 2024 and Recology in November 2024. Town of Windsor officials have been consulted and approve of the Board of Supervisors holding the requested hearing.

The Board’s approval of the Bonds does not in any way pledge the credit or revenues of the County to the financing. County Counsel and Orrick Herrington & Sutcliffe, LLP (Bond Counsel) have reviewed the resolution and public notice prepared by Bond Counsel and agree the County is not pledging any County credit or revenues.

Strategic Plan:

This item directly supports the County’s Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

- Pillar:** Healthy and Safe Communities
- Goal:** Goal 3: In collaboration with cities, increase affordable housing development near public transportation and easy access to services.
- Objective:** Objective 3: Create incentives for developers to promote affordable housing development in the County.

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?
No

Prior Board Actions:
N/A

FISCAL SUMMARY

| Expenditures | FY25-26 Adopted | FY26-27 Projected | FY27-28 Projected |
|------------------------------------|--------------------|----------------------|----------------------|
| Budgeted Expenses | | | |
| Additional Appropriation Requested | | | |

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|----------------------------|--|--|--|
| Total Expenditures | | | |
| Funding Sources | | | |
| General Fund/WA GF | | | |
| State/Federal | | | |
| Fees/Other | | | |
| Use of Fund Balance | | | |
| General Fund Contingencies | | | |
| Total Sources | | | |

Narrative Explanation of Fiscal Impacts:

No fiscal impact. Conduit revenue bonds are a special, limited obligation of the CMFA payable solely through the payment of principal and interest from the borrower. Neither the faith or credit, nor the taxing power of the County, any member of the CMFA, the State or any political subdivision is pledged to the repayment of the bonds.

| Staffing Impacts: | | | |
|--|--|---------------------------|---------------------------|
| Position Title (Payroll Classification) | Monthly Salary Range (A-I Step) | Additions (Number) | Deletions (Number) |
| | | | |
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Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Resolution of the Board of Supervisors to approve tax-exempt bond to be issued by the California Municipal Finance Authority to the benefit of Cora Creek LP

Related Items "On File" with the Clerk of the Board:

TEFRA Hearing Notice