



# SONOMA COUNTY

575 ADMINISTRATION  
DRIVE, ROOM 102A  
SANTA ROSA, CA 95403

## Summary Report

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**Agenda Date:** 3/12/2019

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**To:** Sonoma County Board of Supervisors  
**Department or Agency Name(s):** Economic Development Board  
**Staff Name and Phone Number:** Al Lerma / 565-6428  
**Vote Requirement:** Majority  
**Supervisory District(s):** District 4

### **Title:**

Public Hearing: Adoption of Resolution for the Approval of Tax-Exempt Financing for Kendal At Sonoma for the Enso Village Located at 16977 Healdsburg Avenue, Healdsburg, California.

### **Recommended Actions:**

Conduct a public hearing and adopt a resolution for the County of Sonoma to become a member of California Public Finance Authority and approve the issuance by the California Public Finance Authority of one or more series of tax-exempt obligations from time to time in an amount not to exceed \$14,000,000 for the benefit of Kendal at Sonoma, a Zen Inspired Community and a California nonprofit public benefit corporation. Financing will support the development of an approximately 274-unit senior living facility located in Healdsburg. (Fourth District)

### **Executive Summary:**

This public hearing is being conducted to approve a resolution to approve the issuance by the California Public Finance Authority of tax-exempt obligations in one or more series issued from time to time, in an amount not to exceed \$14,000,000, for the benefit of Kendal at Sonoma, a Zen Inspired Community, a California nonprofit public benefit corporation. The resolution also provides for the County of Sonoma to become a member of California Public Finance Authority.

### **Discussion:**

Kendal at Sonoma, a Zen Inspired Community ("KAS"), is a California nonprofit public benefit corporation that will develop and own Enso Village, an approximately 274-unit senior living facility located at 16077 Healdsburg Avenue, Healdsburg, California. KAS is based in San Francisco and its purpose is to provide housing and services for older people. This financing will provide approximately 274 units of a combination of independent living apartments, assisted living apartments and memory care assisted living suites on approximately 15 acres in Healdsburg and the project scope will include 20 internally subsidized independent living apartments that will service retired Zen Teachers.

KAS has requested that the California Public Finance Authority ("CalPFA") adopt a plan of financing providing for the issuance of tax exempt revenue bond anticipation notes, issued from time to time, including bonds issued to refund such revenue bond anticipation notes in one or more series from time to time, in an aggregate principal amount not to exceed \$14,000,000. The proceeds of the tax-exempt obligations will be used for the purpose of financing the acquisition, development, construction, improvement and equipping of

Enso Village, which will be owned by KAS. Enso Village will be located within the County of Sonoma.

CalPFA is a political subdivision of the State of California established under the Joint Exercise of Powers Act for the purpose of issuing tax-exempt and taxable conduit bonds for public and private entities throughout California. CalPFA was created by Kings County and the Housing Authority of Kings County, California. CalPFA is empowered to promote economic, cultural, and community development opportunities that create temporary and permanent jobs, affordable housing, community infrastructure and improve the overall quality of life in local communities.

In order to initiate a financing, the member of CalPFA in which the proposed facilities will be located must (i) conduct a public hearing and (ii) approve CalPFA's issuance of indebtedness. Therefore, although the CalPFA will be the issuer of the obligations for the Applicant, the financing cannot proceed without the County of Sonoma's approval of the financings.

The purpose of the public hearing is to satisfy Federal Internal Revenue Service requirement of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), that as a condition to issuing tax-exempt obligations, the approval of the elected governmental offices of the jurisdiction where the facility is located 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 Board of Supervisors has been requested to hold the hearing for the financing of Enso Village located in the Healdsburg. The Board has conducted similar hearings for projects in Sonoma County, with the most recent being for the Windsor Veterans Village, a multi-family residential housing facility located in Sonoma County, on Oct. 16, 2018.

The Board's approval of the financing does not in any way pledge the credit or revenues of the County to the financing. County Counsel and Orrick, Herrington & Sutcliffe LLP (counsel for CalPFA) have reviewed the financing and agree that it does not pledge County credit or revenues.

**Prior Board Actions:**

The Board of Supervisors has held similar TEFRA hearings for other financings with the most recent being for the Windsor Veterans Village, a multi-family residential housing facility, on Oct. 16, 2018.

**FISCAL SUMMARY**

| <b>Expenditures</b>                | <b>FY 18-19<br/>Adopted</b> | <b>FY19-20<br/>Projected</b> | <b>FY 20-21<br/>Projected</b> |
|------------------------------------|-----------------------------|------------------------------|-------------------------------|
| Budgeted Expenses                  |                             |                              |                               |
| Additional Appropriation Requested |                             |                              |                               |
| <b>Total Expenditures</b>          |                             |                              |                               |
| <b>Funding Sources</b>             |                             |                              |                               |
| General Fund/WA GF                 |                             |                              |                               |

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|----------------------|--|--|--|
| State/Federal        |  |  |  |
| Fees/Other           |  |  |  |
| Use of Fund Balance  |  |  |  |
| Contingencies        |  |  |  |
| <b>Total Sources</b> |  |  |  |

**Narrative Explanation of Fiscal Impacts:**

No fiscal impact. Conduit revenue bonds are a special, limited obligation of the Authority 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 Authority, the State or any political subdivision is pledged to the repayment of the bonds.

| <b>Staffing Impacts:</b>                       |  |                           |                           |
|--|--|---------------------------|---------------------------|
| <b>Position Title (Payroll Classification)</b> | <b>Monthly Salary Range (A - I Step)</b> | <b>Additions (number)</b> | <b>Deletions (number)</b> |
|  |  |                           |                           |
|  |  |                           |                           |
|  |  |                           |                           |

**Narrative Explanation of Staffing Impacts (If Required):**

None

**Attachments:**

Resolution of the Board of Supervisors

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

Affidavit of Publication of TEFRA Public Hearing Notice.