



County of Sonoma

State of California

Date: July 7, 2020

Item Number: _____

Resolution Number: _____

☐ 4/5 Vote Required

Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, And Board Of Commissioners Of The Sonoma County Community Development Commission Authorizing The Issuance And Sale Of A Note In The Principal Amount Not To Exceed \$1,680,000 To Facilitate The Financing of the Purchase of 2150 W. College.

Whereas, on April 4, 2017, the Board of Supervisors adopted its strategic priorities for the County of Sonoma ("County"), which included the *Housing for All* priority;

Whereas, the Commission purchased the Property at 2150 W. College Avenue for its appraised value to develop much needed housing, but was in need of a cash advance in order to do so;

Whereas, the Commission asked that the County issue a note on its behalf in the principal amount of \$4,200,000 ("Note") and proposed to repay the Note from revenue from the County Fund for Housing over a period not to exceed 5 years;

Whereas, the Treasurer for the County is authorized pursuant to Government Code Section 53601(d) to invest in the Note and desires to loan such funds to the County using Treasury Pool funds;

Whereas, the County is authorized pursuant to Government Code Section 53850 et seq. to borrow money on a temporary basis, provided such borrowed amount does not exceed eighty-five percent (85%) of the estimated amount of anticipated revenues that will be used to pay back the loan; and

Whereas, because the County is only able to issue short-term debt, staff requested that the Board of Supervisors authorize successive short-term (1-year) notes to refinance any balance of the loan that remains at the end of each loan year up to a

maximum of 4 additional notes, for a total of 5 notes over 5 years;

Whereas, if the County is unwilling or unable to issue new debt in any subsequent year, the County would nonetheless be responsible for repayment of the Note using any available funds, including the General Fund;

Whereas, the County intends to allocate sufficient funds to repay the Note on an annual basis to the County Fund for Housing, with which the Commission would repay the Note balance;

Now, Therefore, Be It Resolved that the Board of Supervisors of the County of Sonoma, and the Board of Commissioners of the Sonoma County Community Development Commission hereby find, determine, declare, and order as follows:

1. Truth of Recitals. That the foregoing recitals are true and correct.
2. The Note. The \$1,680,000 Note authorized by this Resolution shall be designated "2020 Series 1" Note and is being issued pursuant to the provisions of Government Code Section 53850 *et seq.* The amount of the Note is less than eighty-five (85%) of the estimated revenue the County anticipates receiving in this fiscal year from certain revenues that will be used to pay back the Note.
3. Security. The account receivable constituting the security on which the Note is being issued is the anticipated revenue from County Fund for Housing. In addition, the County pledges to pay the Note from any all revenue lawfully available to the County for repayment.
4. Authorization to Borrow and Issue Note. Pursuant to the provisions of Section 53850 and following Government Code, the County shall borrow the principal sum not to exceed \$1,680,000 and shall issue a single principal amount Note to evidence said indebtedness, which Note is hereby authorized to be issued for the purpose hereinabove set forth. The Board delegates to the County Administrator the authority to sell and deliver the Note to the County Treasurer in exchange for the principal sum not to exceed \$1,680,000. The Note shall be issued in registered form, shall be dated July 21, 2020, and shall mature on June 15, 2021. The Note shall bear interest at the rate earned by funds invested by the Sonoma County Treasurer in his "pooled investment account" as calculated in the most recent calendar quarter, plus 75 basis points rounded to the nearest tenth. Payment shall be due at the time of maturity of the note. The interest on principal of the Note shall be payable in lawful money of the United States of America at the office of the County Treasurer of Sonoma County, California.
5. Note to be callable and redeemable. The Note shall be callable and redeemable in

whole or in part at any time following its issuance and before maturity by the Board giving the registered owner of the Note thirty (30) days' prior written notice. The price of redemption shall be the prorated unpaid balance of principal and accrues interest at the date of redemption without penalty or premium.

6. Authority to Execute Note. The Chair of the Board of Supervisors is hereby authorized and directed to execute the Note, and the Clerk of the Board is hereby authorized and directed as such officer to countersign by use of her manual signature on the Note. If any officer whose signature or countersignature appears upon the Note ceases to be an officer of the Board before the delivery of the Note to the purchasers, his or her signature or countersignature shall nevertheless be valid and of the same force and effect as if he or she had remained such officer.

Supervisors:

Rabbitt:

Zane:

Gore:

Hopkins:

Gorin:

Ayes:

Noes:

Absent:

Abstain:

So Ordered.