

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: MEGAN BASINGER, DIRECTOR
HOUSING AND COMMUNITY SERVICES
SUBJECT: TEFRA PUBLIC HEARING AND ISSUANCE OF TAX-EXEMPT
REVENUE BONDS BY THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20
MILLION FOR SANTA ROSA GARDEN APARTMENTS – 4601
MONTGOMERY DRIVE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Housing and Community Services Department recommends that the Council: (1) conduct a public hearing under the requirements of the Tax Equity and Fiscal Responsibility Act, the Internal Revenue Code of 1986, and California Government Code Section 6500; and (2) by resolution, approve the issuance of tax exempt multifamily housing revenue bonds by the California Statewide Communities Development Authority in an aggregate principal amount not to exceed \$20 million to finance or refinance the acquisition, rehabilitation, improvement, and equipping of Santa Rosa Garden Apartments, 4601 Montgomery Drive within the City of Santa Rosa. This item has no impact on current fiscal year budget.

EXECUTIVE SUMMARY

TTG Santa Rosa Garden Limited Partnership ("Borrower") has requested that the California Statewide Communities Development Authority ("CSCDA"), a joint powers authority of which the City is a member, issue tax-exempt multifamily housing revenue bonds for Santa Rosa Garden Apartments, an existing 111-unit affordable rental housing development located at 4601 Montgomery Drive. Borrower is requesting an aggregate principal amount not to exceed \$20 million to finance or refinance the acquisition, rehabilitation, improvement, and equipping of the Project; and has requested that the City Council conduct a public hearing in accordance with the Tax Equity and Fiscal Responsibility Act ("TEFRA"), Internal Revenue Code of 1986, and California Government Code Section 6500. A public hearing is required to provide an opportunity for individuals to express their views, orally or in writing, on the proposed plan of financing providing for the issuance of bonds and the location and nature of the

TEFRA PUBLIC HEARING AND ISSUANCE OF TAX-EXEMPT REVENUE BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20 MILLION FOR SANTA ROSA GARDEN APARTMENTS – 4601 MONTGOMERY DRIVE
PAGE 2 OF 3

proposed Project to be financed. All financial obligations of the bond issuance are the responsibility of the Borrower, including without limitation the obligation to repay the bonds and the obligations to acquire, rehabilitate and operate the Project.

GOAL

This item relates to Council Goal #5 - Plan for and Encourage Housing for All and Reduce Homelessness by expanding access to housing opportunities for low, very-low, and extremely low-income households.

BACKGROUND/PRIOR COUNCIL REVIEW

This Project is an existing 111-unit affordable rental housing development with 26 units targeted to households with income at 30% Area Median Income (“AMI”), 55 units targeted to households with income at 50% AMI, 28 units targeted to households with income at 60% AMI, and two (2) unrestricted manager units.

ANALYSIS

CSCDA has requested that City Council conduct a public hearing under the requirements of the TEFRA, Internal Revenue Code of 1986, and California Government Code Section 6500; and by resolution, approve the issuance of tax exempt multifamily housing revenue bonds by CSCDA in an aggregate principal amount not to exceed \$20 million to finance or refinance the acquisition, rehabilitation, improvement, and equipping of the Project.

- Issuance of tax exempt, private activity bonds must be approved by the jurisdiction the Project is located following a public hearing in accordance with Internal Revenue Code requirements.
- A TEFRA public hearing provides a reasonable opportunity for interested individuals to express their views, orally or in writing, on the proposed issuance of bonds and the location and nature of the proposed Project to be financed.
- Pursuant to Section 147(f) of the Code and 26 Code of Federal Regulations Section 1.147(f)-1, a project must obtain bond financing within one year of public approval, or three years if approved with a plan of finance.
- Without the required TEFRA public hearing and approval, the Project cannot be financed with tax-exempt bonds.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund. The bonds and the obligation to pay principal and interest and any redemption premium will not constitute indebtedness or an obligation of the City. The City will not have any obligation

TEFRA PUBLIC HEARING AND ISSUANCE OF TAX-EXEMPT REVENUE BONDS BY
THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20 MILLION FOR SANTA
ROSA GARDEN APARTMENTS – 4601 MONTGOMERY DRIVE
PAGE 3 OF 3

to repay the bonds or to acquire, rehabilitate, develop, equip or operate the Project.

Financing documents with respect to the issuance of the bonds will contain clear disclaimers that the bonds are not obligations of the City but are to be paid for solely from funds provided by the Borrower. All financial obligations for the bonds and all fees and costs associated with the bonds will be the sole responsibility of the Borrower.

ENVIRONMENTAL IMPACT

The proposed action has been reviewed in compliance with the California Environmental Quality Act (CEQA).

Pursuant to CEQA Guidelines Section 15378, the proposed action is not a "project" subject to CEQA because it consists solely of the approval of financing and the conduct of a public hearing and will not result in a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

In the alternative, the proposed action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption), as it can be seen with certainty that there is no possibility that the approval of bond financing may have a significant effect on the environment.

Accordingly, no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

A public hearing notice was published in the Press Democrat on July 3, 2026.

ATTACHMENTS

- Attachment 1 – Location Map
- Attachment 2 – Request Letter for the TEFRA public hearing
- Resolution

PRESENTER(S)

Angela Morgan, Program Specialist II