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File ID: 2026-01107

6/9/2026

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**Conduct a Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) Hearing and Adopt a Resolution Approving the Issuance of Bonds by the California Enterprise Development Authority (Authority) for the Purpose of Financing, Refinancing and/or Reimbursing the Cost of Acquiring, Renovating, Remodeling, Equipping and Furnishing a Commercial Office Building Facility [Published 05/29/2026]**

File ID: 2026-01107

**Location:** District 4

**Recommendation:** Conduct a public hearing under the requirements of TEFRA and the Internal Revenue Code of 1986, as amended (Code) regarding the proposed issuance of bonds by the Authority, a joint powers authority and public entity organized under the laws of the State of California for the benefit of California Counties Capitol Building & Museum, a California nonprofit public benefit corporation, County Supervisors Association of California, a California nonprofit mutual benefit corporation (CSAC), and CSAC Finance Corporation, a California nonprofit public benefit corporation (collectively, Borrower), and upon conclusion, adopt a **Resolution** authorizing the issuance of bonds by the Authority for the benefit of the Borrower for the purpose of financing, refinancing and/or reimbursing the cost of acquiring, renovating, remodeling, equipping and furnishing a commercial office building facility.

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**Presenter:** Claudia Lara, Debt Analyst, (916) 808-2267, clara@cityofsacramento.org, Office of the City Treasurer

**Attachments:**

- 1-Description/Analysis
- 2-Resolution

**Description/Analysis**

**Issue Detail:** The Borrower has requested that the Authority issue tax-exempt bonds in an amount not to exceed \$44,000,000 (Bonds). The proceeds of the Bonds will be used to: (a) finance, refinance and/or reimburse the Borrower for the cost of acquiring, constructing, improving, rehabilitating,

renovating, remodeling, equipping and furnishing the real property located at 1100 K Street, Sacramento, California 95814, consisting of an approximately 26,500 square foot commercial building when completed (Facility); (b) pay interest on the Bonds as permitted by the Code; (c) establish a reserve fund for the Bonds to the extent necessary; and (d) pay certain costs of issuance in connection with the issuance of the Bonds (collectively, Project). The Facility will be used as the administrative headquarters of the Borrower and is an architecturally and historically significant building in downtown Sacramento.

For the Bonds to qualify as tax-exempt bonds, the City of Sacramento must conduct a public hearing (TEFRA Hearing). The City's hearing must provide members of the community with an opportunity to speak in favor of or against the use of tax-exempt bonds for the financing of the Project. Prior to such TEFRA Hearing, reasonable notice must be provided to the members of the community. TEFRA Hearing notice was provided on May 29, 2026.

**Policy Considerations:** Under § 147(f) of the Tax Code, the City Council must conduct a public hearing because a portion of the Bonds are for the Project located within the City. The City must also adopt a resolution approving the issuance of the Bonds by the Authority for the benefit of the Borrower to satisfy the requirements of the Tax Code.

**Economic Impacts:** Not applicable.

**Environmental Considerations:** The authorization to issue the Bonds is a governmental fiscal activity that does not involve the approval of any physical development or activity that would have the potential for causing a significant effect on the environment. Approval is not a project requiring review under the California Environmental Quality Act (CEQA). CEQA Guidelines sections 15378 (b)(4) and 15060(c)(3).

**Sustainability:** Not applicable.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** The City is already a member of the Authority; however, under § 147(f) of the Tax Code, the Authority may not issue the Bonds unless the City approves the issuance after holding a public hearing for which reasonable public notice is given. The Authority has requested that the City Council hold the required public hearing regarding the issuance of Bonds and approve the issuance of Bonds by the Authority for the Borrower.

**Financial Considerations:** The Bonds to be issued by the Authority for the Facility will be the sole responsibility of the Borrower, and the City will have no financial, legal, moral obligation, liability or responsibility for the Project or the repayment of the Bonds for the financing of the Facility. All financing documents with respect to the issuance of the Bonds will contain clear disclaimers that the

Bonds are not obligations of the City or the State of California but are to be paid for solely from funds provided by the Borrower.

The Authority and the Borrower have confirmed that the Borrower's projected revenues are sufficient to satisfy future operating costs and debt service obligations.

**Local Business Enterprise (LBE):** Not applicable.

## **Background:**

### **The Borrower**

The mission of the Borrower is to advocate for, develop leadership and policy programs and provide services and partnerships that support county governments Statewide. The Borrower's administrative headquarters are located at the Facility.

The Facility, which was originally erected in 1911, is a building of historical and architectural significance located approximately one block from the State Capitol in downtown Sacramento. CSAC purchased the Facility in 1981. The Borrower will apply proceeds of the Bonds to undertake the following improvements to the Facility: (i) a new sixth floor will be added, including an accessible wraparound roof deck with panoramic views of the State Capitol and City skyline which can be used for CSAC events; (ii) interior renovations will be undertaken on lower floors, including the addition of conference rooms and lounge areas; (iii) exterior entryways and window openings will be updated; (iv) the central air and electrical systems will be replaced and upgraded; and (v) seismic retrofit, safety and handicapped accessibility upgrades will be undertaken. The improvements, in particular the addition of the sixth floor, will add a total of 2,907 square feet to the Facility, which is expected to have a total square footage of 26,487 square feet upon completion.

The Borrower expects to comply with all governmental approval, environmental review, public bidding and other permitting requirements for each component of the improvements as required by law, and to complete all components of the improvements by late 2027.

### **California Enterprise Development Authority**

The Authority was created in 2006, pursuant to a joint exercise of powers agreement to address gaps in economic and community development through the financing of economic development throughout California. To date, over 200 municipalities, including the City of Sacramento, have become members of the Authority.

The Authority was formed to assist local governments, non-profit organizations and businesses with the issuance of taxable and tax-exempt bonds. The Authority's representatives and its Board of Directors have considerable experience in bond financing.

## RESOLUTION NO. 2026-\_\_

Adopted by the Sacramento City Council

June 9, 2026

### **Resolution Approving the California Enterprise Development Authority Revenue Bonds in an Aggregate Principal Amount of Not to Exceed \$44,000,000 for the Purpose of Financing, Refinancing and/or Reimbursing the Cost of Acquiring, Constructing, Renovating, Improving, Rehabilitating, Renovating, Remodeling, Equipping and Furnishing a Facility for the Benefit of the California Counties Capitol Building & Museum, County Supervisors Association of California and CSAC Finance Corporation and Other Matters Relating Thereto**

#### **BACKGROUND**

- A. (i) California Counties Capitol Building & Museum, a California nonprofit public benefit corporation; (ii) County Supervisors Association of California (“CSAC”), a California nonprofit mutual benefit corporation; and (iii) CSAC Finance Corporation (“CSAC FC”), a California nonprofit public benefit corporation (collectively, the “Borrower”), have submitted, and the California Enterprise Development Authority (the “Authority”) has accepted, an application requesting the Authority to issue, from time to time, pursuant to a plan of finance, of one or more series of its tax-exempt bonds, notes or other evidence of indebtedness, in an aggregate principal amount not to exceed \$44,000,000 (the “Bonds”) for the benefit of the Borrower pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State (commencing with Section 6500) (the “Act”); and
- B. The proceeds of the Bonds will be used to: (a) finance, refinance and/or reimburse the Borrower for the cost of acquiring, constructing, improving, rehabilitating, renovating, remodeling, equipping and furnishing the real property located at 1100 K Street, Sacramento, California 95814, consisting of an approximately 26,500 square foot commercial building when completed (the “Facility”); (b) pay interest on the Bonds as permitted by the Internal Revenue Code of 1986, as amended (the “Code”); (c) establish a reserve fund for the Bonds to the extent necessary; and (d) pay certain costs of issuance in connection with the issuance of the Bonds.
- C. The Facility will be initially owned and/or operated by the Borrower.
- D. The Bonds, the interest on which will be excluded from gross income of the holders thereof for federal income tax purposes, will be “qualified 501(c)(3) bonds” pursuant to Section 145 of the Code. Accordingly, pursuant to Section 147(f) of the Code, the issuance of the Bonds by the Authority must be approved by an applicable elected representative of a governmental unit within the territorial limits of which the Facility is situated.
- E. The Facility is situated within the territorial limits of the City.

- F. The City Council of the City (the “Council”) is the elected legislative body of the City and is an “applicable elected representative” of the City.
- G. The Authority and the Borrower have requested that the Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and for purposes of the Act.
- H. The Authority’s issuance of the Bonds will result in a more economical and efficient issuance process because of the Authority’s experience in the issuance of conduit revenue obligations.
- I. Pursuant to Section 147(f) of the Code and the Act, the City, following notice duly given, held a public hearing regarding the Facility and the issuance of the Bonds and the Council now desires to approve the issuance of the Bonds by the Authority for the Facility.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

**SECTION 1.**

The statements in the Background are true.

**SECTION 2.**

The Council hereby approves the issuance of Bonds by the Authority, which Bonds are anticipated to be tax-exempt as approved by the Authority in its resolution, in an aggregate principal amount not to exceed \$44,000,000 to: (a) finance, refinance and/or reimburse the Borrower for the cost of acquiring, constructing, improving, rehabilitating, renovating, remodeling, equipping and furnishing the Facility; (b) pay interest on the Bonds as permitted by the Code; (c) establish a reserve fund for the Bonds to the extent necessary; and (d) pay certain costs of issuance in connection with the issuance of the Bonds. This approval: (i) is given for the sole purpose of complying with Section 147(f) of the Code and the Act; (ii) is conditioned on the Council’s understanding that the City is not obligated to pay any principal, interest, fees or other costs associated with the Authority’s issuance of the Bonds; and (iii) is neither an approval of the underlying credit issues of the proposed Facility nor an approval of the financial structure of the Bonds.

**SECTION 3.**

The issuance of the Bonds will be subject to the approval by the Authority of all related financing documents to which the Authority is a party. The City will have no responsibility or liability whatsoever with respect to the Bonds or the Facility, and the City Council’s approval of the Authority’s issuance and sale of the Bonds is neither an approval of the underlying credit issues of the Facility nor an approval of the financial structure of the Bonds.

#### **SECTION 4.**

This resolution does not obligate the City or any City department or any City fund: (a) to provide any financing for the Facility or any refinancing of the Facility; (b) to approve any application or request for, or take any other action in connection with, any planning approval, permit, or other action necessary for the Facility; (c) to make any contribution or advance any funds to the Authority; or (d) to take any further action with respect to the Bonds, the Authority, or the City's membership in the Authority.

#### **SECTION 5.**

The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

#### **SECTION 6.**

This Resolution shall take effect immediately upon its passage.