

RESOLUTION NO. RES-2022-007

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA DECLARING PURSUANT TO GOVERNMENT CODE SECTION 54221 THAT REAL PROPERTY OWNED BY THE CITY IDENTIFIED AS ASSESSOR PARCEL NUMBERS 038-151-004, 038-151-011, 009-333-009, 009-333-014 AND LOCATED AT 702 & 716 BENNETT VALLEY ROAD AND 921 & 927 RUTLEDGE AVENUE, SANTA ROSA, CALIFORNIA IS EXEMPT SURPLUS LAND, AND FINDING THAT SUCH DECLARATION AND AUTHORIZATION IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the City of Santa Rosa (the “City”) is the owner in fee simple of that certain real property identified as Assessor Parcel Numbers 038-151-004, 038-151-011, 009-333-009, 009-333-014, consisting of approximately 1.9 acres located at 702 & 716 Bennett Valley Road and 921 & 927 Rutledge Avenue, Santa Rosa, California (the “City Property”), as described and depicted in Attachment A to the Disposition and Development Agreement, attached as Exhibit A to this resolution; and

WHEREAS, the City no longer has any use for the City Property; and

WHEREAS, on May 29, 2019, prior to the effective date of Assembly Bill 1486, which codified new reporting obligations on local agencies under the Surplus Land Act, Government Code sections 54220 *et seq.* (as amended, the “Act”), the City issued a competitively bid Request for Qualifications/Request for Proposals (“RFP”) for the development of City Property to construct new units of affordable housing; and

WHEREAS, that competitive bid process was thus completed prior to the statutory obligation within the Act, under subdivision (a) of Government Code Section 54222, that required notices of availability be transmitted to housing sponsors, as defined by Section 50074 of the Health and Safety Code, and qualifying local public entities as defined, prior to the disposition of surplus land; and

WHEREAS, the City as part of that RFP, did publicize the RFP to housing sponsors, as defined, and provided an open and competitive opportunity to propose on the RFP to construct affordable housing on City Property; and

WHEREAS, Freebird Development Company, LLC, a California limited liability company and Allied Housing, Inc., a California nonprofit public benefit corporation (collectively “Developer”) were awarded the RFP to develop the City Property, subject to a Disposition and Development Agreement (“DDA”), attached as Exhibit A to this resolution, and executed on July 7, 2021, to create a 100% affordable housing project within the City (excluding one unrestricted Management Unit); and

WHEREAS, the DDA contemplates the following affordable housing mix, which has been awarded a conditional commitment of loan funds in the amount of \$5,800,000 from the Housing Authority of the City of Santa Rosa (“Authority Loan”), and will be subject to 55-year

Regulatory Agreement to be negotiated between the Housing Authority and Developer: 62 total units of housing with approximately 50% of the units (other than an unrestricted Management Unit) leased to formerly homeless persons or households with incomes that do not exceed 30% of Area Median Income (AMI); (b) approximately 50% of the units to be leased to households with incomes that do not exceed 50% of AMI; and (c) one unrestricted Management unit; and

WHEREAS, the exact affordability of proposed project will be subject to the final funding secured by Developer to construct the proposed affordable housing project, any affordability alterations will be reflected in the Regulatory Agreement; and

WHEREAS, pursuant to the DDA, a condition precedent to City allowing Close of Escrow is Developer's evidence of financing to construct an affordable housing project, and the DDA requires Developer to covenant that the proposed project be used, maintained and operated in compliance with a Regulatory Agreement to be negotiated between the Housing Authority and Developer for a 100% affordable housing project; and

WHEREAS, the City represents and warrants that as set forth herein, City's approval of the proposed project and the Regulatory Agreement will require an affordability mix that meets or exceeds the statutory restrictions set forth herein; and

WHEREAS, the Act applies when a local agency disposes of "surplus land," as that term is defined in Government Code section 54221; and

WHEREAS, the City Property is "surplus land" under the Act, because it is land owned in fee simple by the City for which the City Council will take formal action (in the form of adoption of this resolution) in a regular public meeting declaring that the land is surplus and is not necessary for the City's use; and

WHEREAS, the Act exempts certain surplus land from its requirements, including "Surplus land that is transferred pursuant to Section 25539.4 or 37364" (Government Code section 54221(f)(1)(A)), and pursuant to Government Code section 37364, the required affordability of a qualifying project requires that not less than 40 percent of the total number of housing units developed on any parcel be affordable to households whose incomes are equal to, or less than, 75 percent of the maximum income of lower income households, and at least half of which shall be affordable to very low income households. Additionally, not less than 80% of the area of the parcels being disposed of for the project must be devoted to housing; and

WHEREAS, City and Developer's ability to close escrow pursuant to the DDA requires, the submittal of Authority Loan documents, and a Regulatory Agreement negotiated between the parties, through which the City can require the proposed project meets the exemptions from the Act cited above.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa that the above recitals are true and correct and are a substantive part of this Resolution.

BE IT FURTHER RESOLVED that the City Council hereby declares that (i) the City Property is surplus land and not necessary for the City’s use, and (ii) provided that the property is conveyed for the development of the proposed project as set forth in the DDA, the Property is exempt from the Act pursuant to sections 54221(f)(1)(A) of the Act. The basis for this declaration is set forth above.

IN COUNCIL DULY PASSED this 11th day of January, 2022.

AYES: (6) Mayor C. Rogers, Vice Mayor Alvarez, Council Members Fleming, N. Rogers, Sawyer, Schwedhelm

NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

ATTEST: _____ APPROVED: _____
City Clerk Mayor

APPROVED AS TO FORM: _____
City Attorney

Exhibit A – Disposition and Development Agreement