

CITY OF SANTA ROSA AND SANTA ROSA SCHOOL DISTRICT

MEMORANDUM OF UNDERSTANDING FOR THE FIR RIDGE SITE

City Council Study Session
October 1, 2019



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FIR RIDGE SITE HISTORY

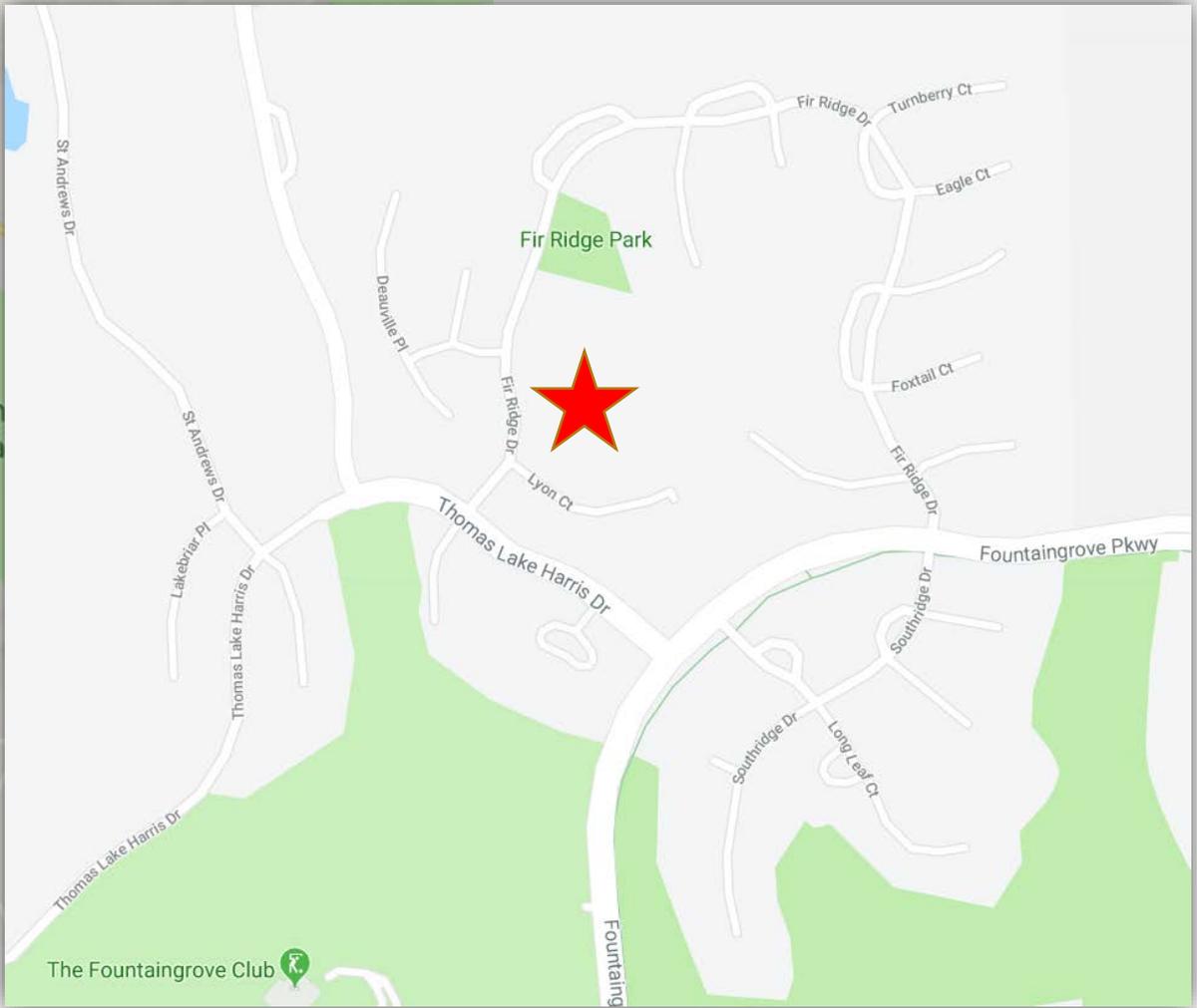
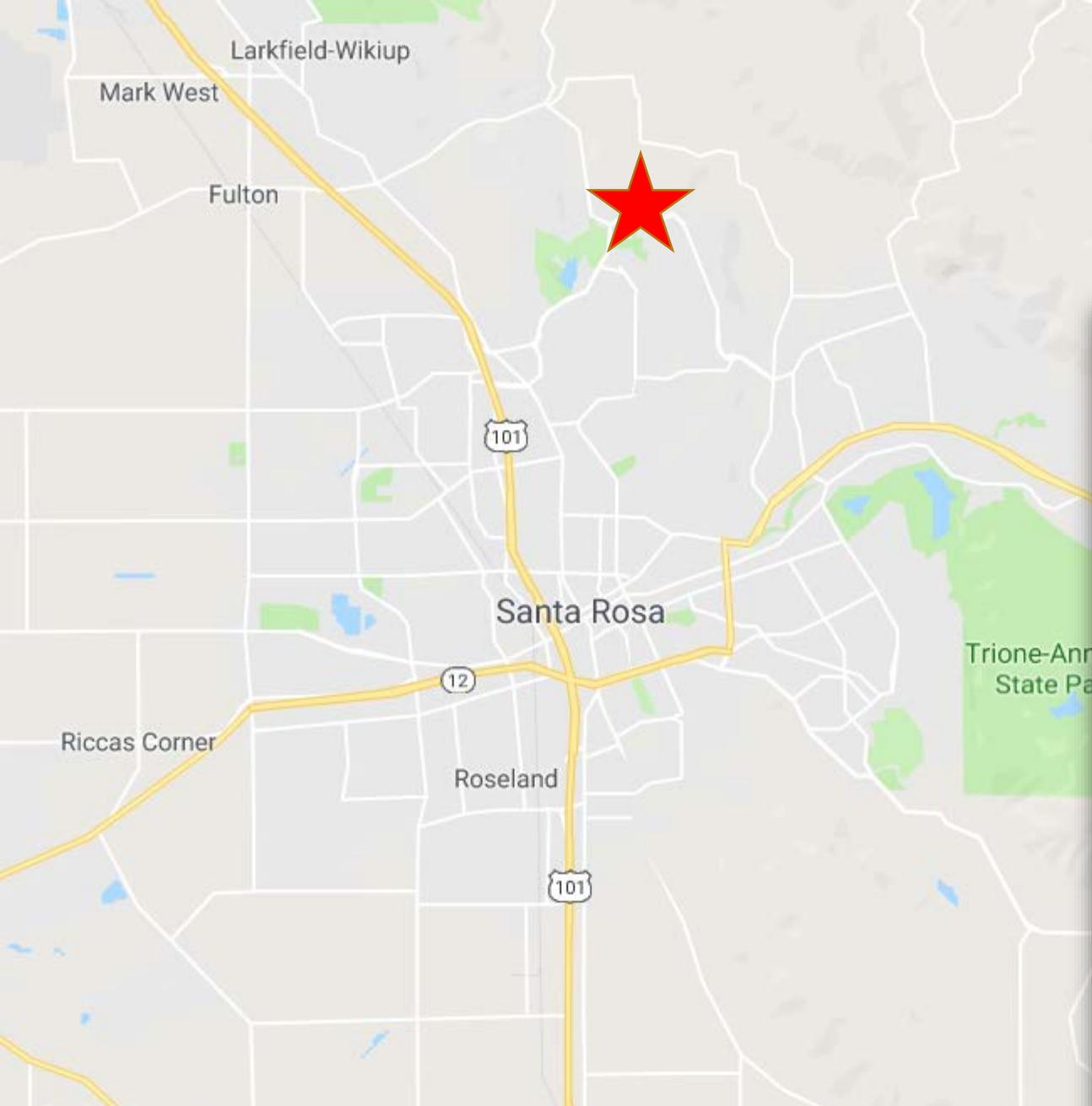
HOLDING AGREEMENT APPROVED BY COUNCIL APRIL 26, 1988

- Agreement was established between City and subdivision developer
- Site to be held for construction of school, or low and/or moderate income housing
- 4-year negotiation period for School District to purchase Site from developer, or City to dedicate Site to School District
- 10-year timeline for School District to begin construction of school, or Site reverts to City.
- 5-year timeline for City to enter into an agreement for construction of affordable housing.
- If City timeline expires, developer has the right to recover title with no further obligation for dedication of the Site.



FIR RIDGE SITE HISTORY

- Between 1988-2015, the Holding Agreement was amended Twelve times
- Fourth Amendment approved in 2003
 - Allowed the District to use Site to develop affordable housing for its employees
 - Or, the City could use Site for low to moderate-income housing and, the City would provide a preference of residential units for at least 50% of District employees
- Twelfth Amendment approved in June 2016
 - Extended Holding Agreement for 3 years
 - Authorizes City Manager to extend Holding Agreement if Project is progressing substantially
 - Memorializes the partnership between the City and District



FIR RIDGE DR

APN: 173-620-030

6.03 ACRES



CURRENT SITUATION

- City and District have met with developers regarding Site and Identified constraints for the district to develop teaching housing:
 - Post fire impact to development potential
 - Topography creates additional construction costs, compromising the affordability
- City and District Have developed a number of options to honor original Agreement



PROPOSED ALTERNATIVE OPTIONS

1. Extend Terms of 2016 MOU
2. Transfer title to City to build housing units
3. District Sells the Site with use of proceeds towards:
 - a) Development or acquisition of District employee housing units at alternate location
 - b) Create a revolving fund Down Payment Assistance Program for District employees

OPTION 1: EXTENSION OF 2016 MOU TERMS

Memorializing the partnership between the City and School District to work together toward the goal of providing for sale or rental housing for School District employees of low and/or moderate income on Fir Ridge Drive

Key Milestones:

- District to Establish a new Subdivision Map for site (original Tentative Subdivision Map has expired)
- District to enter into a fully executed contract with a developer, and have a funding plan in place, for the construction of the Project
- District to commence construction of the Project, which shall mean issuance of building permits for the Project and a construction timeline

OPTION 2:
TRANSFER OF TITLE FROM DISTRICT TO CITY

- Transfer title to the City to develop low- to moderate-income housing units on Site and provide preference for District employees,

OR

- City to sell Site and use proceeds towards developing low- to moderate-income housing in an alternate location

OPTION 3A:
SALE OF SITE &
DEVELOPMENT IN ALTERNATE LOCATION

- School District to sell Site to third party
- Use of Proceeds to develop or acquire housing units in alternate location
 - Partnership with developer
 - Downtown, transit-oriented development projects

OPTION 3B:
SALE OF SITE & ESTABLISH
DOWN PAYMENT ASSISTANCE PROGRAM

- School District to sell Site and use Proceeds to create and implement Loan Program
- Loan Program would be a revolving fund to ensure ongoing impact to the school district employees
- Fund could be supplanted with other outside funding sources (grants)



OPTION 3B: POTENTIAL ELIGIBILITY INCOME THRESHOLDS

1. No Threshold
2. Traditional Low to Moderate-Income Threshold (80-120% AMI)
 - District Analysis: Income limit \$78,350 and 382 eligible employees
3. 150% AMI Threshold
 - District Analysis: Income limit \$97,950 and 748 eligible employees
4. Alternative Threshold based on defined income level in District Salary Schedule
 - District Analysis:
 - Single-teacher household Income limit: \$75,552 and 323 eligible employees
 - Two-teacher household Income limit: \$151,104 and 646 eligible employees



DISCUSSION OF OPTIONS

1. Extend Terms of 2016 MOU
2. Transfer title to City to build housing units
3. District to Sell the Site with use of proceeds towards:
 - a) Development or acquisition of District employee housing units at alternate location
 - b) Create a revolving fund Down Payment Assistance Program for District employees
 - Income Threshold Options



TERM OF REVISED MOU

- Term of revised MOU
 - Current MOU extended term of the Holding Agreement for 3-years, through 2019-2020

NEXT STEPS

- City and District Staff will incorporate Council's comments and direction in a revised MOU
- Staff will seek approval of the revised MOU at the joint meeting of the City Council and Santa Rosa City Schools Board on October 14, 2019

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the City Council receive the report from City staff and provide comments and direction regarding the proposed amendment to Memorandum of Understanding (MOU) between the City of Santa Rosa and Santa Rosa City Schools to allow alternatives to construction of affordable housing or school facilities on Fir Ridge Drive, Lot “F” (APN 173-620-030).

QUESTIONS | COMMENTS