

AUTHORIZATION FOR THE CITY OF SANTA ROSA (CITY) TO BECOME AN ADDITIONAL MEMBER OF THE CALIFORNIA COMMUNITY HOUSING AGENCY (“CALCHA”); AUTHORIZATION OF A PURCHASE OPTION AGREEMENTS WITH CALCHA FOR THE ACQUISITION OF 1020 JENNINGS AVENUE; SUPPORT FOR CALCHA’S ISSUANCE OF TAX-EXEMPT BONDS FOR 1020 JENNINGS AVENUE; AND APPROPRIATION OF ANY SURPLUS CASH RECEIVED FROM 1020 JENNINGS AVENUE INTO FUND 2282 FOR AFFORDABLE HOUSING PURPOSES

City Council

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February 12, 2019

Nancy Manchester, Program Specialist II  
Housing & Community Services

- CalCHA proposes acquiring an existing market-rate rental community in Santa Rosa through tax-exempt bond financing
- Community will be restricted to middle-income households (120% Area Median Income (AMI))
- In-Place tenants not displaced
- Tax-exempt bonds issued by CalCHA with City approval if City is Additional Member of CalCHA

- City supports housing for all through protection, preservation and production of market-rate and affordable housing units
- Council has approved joining CalPFA for same purposes in October 2018
- CalCHA created by CalPFA's management team to focus solely on middle-income housing
- Kings County Board of Supervisors approved formation of CalCHA on January 29, 2019

- If City joins CalCHA as Additional Member, developers can access financing through CalCHA – CalCHA cannot issue bonds without City approval
- Acquisition of the Property by CalCHA will increase supply of units restricted to middle-income households (120% AMI)
- CalCHA asks City to enter into a Purchase Option Agreement that could be exercised at year 15 to acquire Property, but there is no obligation
- CalCHA's collection of rents and fees may benefit City because any surplus cash or sale proceeds will be provided to City for affordable housing production or preservation

It is recommended by the Housing & Community Services Department (HCS) that the Council, by resolutions: 1) authorize the City of Santa Rosa to join CalCHA as an Additional Member to allow the issuance of tax exempt bonds by CalCHA within the City limits; and 2) authorize the Director of HCS to execute a Purchase Option Agreement between the City of Santa Rosa and CalCHA associated with the acquisition of 1020 Jennings Avenue (“Property”); support CalCHA’s issuance of tax-exempt bonds for the acquisition of Property; and appropriate any surplus cash and sales proceeds received from the Property into Fund 2282 to be used by HCS for the acquisition, construction, preservation, and rehabilitation of affordable housing units in Santa Rosa.

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