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City of Santa Rosa  
City Manager's Office  
100 Santa Rosa Ave, Room 10  
Santa Rosa, CA 95404

FREE RECORDING – GOVERNMENT CODE 6103 and 27383

**MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding, effective \_\_\_\_\_, is made and entered into by and between SANTA ROSA CITY SCHOOLS, a legal entity, ("School District" or "District") and the CITY OF SANTA ROSA, a California municipal corporation, ("City") on the basis of the following facts and circumstances:

**RECITALS**

A. On May 28, 1988, City and Braewood Development Corporation (Braewood) as the original developer of the Fir Ridge at Fountaingrove Subdivision entered into a Holding Agreement which was recorded in the Official Records of Sonoma County as document numbered 88-063213.

B. Between 1988 and 2015 the Holding Agreement was amended eleven times, and then in 2015, the School District requested a further two-year extension to the Agreement to allow additional time, in consideration of the recovering economy and housing market, for new School District staff to develop a plan of action and implementation for Lot F (Lot F is defined in the Holding Agreement.)

C. On June 30, 2015, the School District and City entered into a "Twelfth Amendment to Holding Agreement" (hereinafter the "Twelfth Amendment."), recorded in the Official Records of Sonoma County as Document numbered 2015059614. Recitals A through X of the Twelfth Amendment are incorporated herein by reference.

D. Since that time the District has made significant good faith efforts to make the low and/or moderate income Housing Project on Fir Ridge Drive a reality. The steps the District has taken include, but are not limited to:

- The Twelfth Amendment required the District to apply by November 9, 2015 to the City's Department of Community Development for a 12-month extension of the Project Approvals, and the District timely made said application;
- The District has obtained a Cultural Resources Study for use on the Project;
- The District has retained an Engineer and obtained an Engineer's Preliminary Estimate of Costs for the Project;
- The District has issued a Request for Proposals to obtain a developer for the property.
- The District has issued a Request for Proposals for counsel to assist with the development of Certificates of Participation to finance the Project.

E. Notwithstanding the foregoing, it is not likely that the District will have both a fully executed contract in place with a developer and a funding plan in place prior to June 30, 2016, as required under the Twelfth Amendment.

F. The City and School District wish to work collaboratively to facilitate the construction of affordable housing for School District employees of low or moderate income on Fir Ridge Drive. It is the City's intent to support the District in achieving the mutual goal of construction and completion of workforce affordable housing on Fir Ridge Drive as set forth in this Memorandum of Understanding.

## **AGREEMENT**

NOW, THEREFORE, the parties agree as follows:

1. The City and School District will work together toward the goal of providing for sale or rental affordable housing, or a combination thereof, for School District employees of low or moderate income on Fir Ridge Drive. The City agrees to provide staff support to assist School District but shall not have any obligation to contribute funds to said project unless otherwise agreed in writing by the City and School District.

2. Additionally, the City's staff shall promptly present and recommend approval of District's applications for time extensions as follows:

(i) City staff shall present to the Planning Commission and recommend approval of District's pending request that the District's tentative map (City File No. MAJ04-029) approval be extended through December 9, 2017.

(ii) City staff shall present to the Planning Commission and recommend approval of any subsequent timely-filed District request(s) that the District's tentative map (City File No. MAJ04-029) approval be further extended, for a period of twelve months for each application, up to December 9, 2019.

(iii) City staff shall present to the Director of Planning and Economic Development and recommend approval of District's pending request that the Project's Conditional Use Permit and Hillside Development Permit (City File No. CUP04-125 & HDP 04-004), and Design Review (City File No. DR04-118) be extended through June 30, 2017.

(iv) City staff shall present to the Director of Planning and Economic Development and recommend approval any subsequent timely-filed District request(s) that the Project's Conditional Use Permit and Hillside Development Permit (City File No. CUP04-125 & HDP 04-004), and Design Review (City File No. DR04-118) be further extended, for a period of twelve months for each application, up to June 30, 2020.

2. The City and School District will openly communicate with each other, to ensure each Party stays informed about the respective developments related to the Fir Ridge Drive affordable housing development.

3. The City and School District mutually agree that some of the agreed-upon deadlines in the Twelfth Amendment cannot be met within the dates set forth therein. Due to the significant good faith efforts stated in Recital D, The City agrees to extend all of the milestones set forth in the Twelfth Amendment for an additional three years. Thus, the deadlines shall now be as follows:

- (i) The obligation to apply to the City's Department of Community Development for a 12-month extension of the Project Approvals is deemed satisfied; and
- (ii) No later than June 30, 2019, District shall enter into a fully executed contract with a developer, and have a funding plan in place, for the construction of the Project; and
- (iii) No later than June 30, 2020, District shall commence construction on the Project which shall mean issuance of building permits for the Project and a construction timeline; and
- (iv) District shall diligently pursue and complete construction of the Project in a timely manner.

4. Subsequent to the agreed-upon three-year extension, the City Manager shall have the authority and discretion to act on behalf of the City Council to execute a further agreement to extend these milestones further if the Project is progressing substantially. If the City Manager determines to further extend these milestones, the City and School District shall execute and record an agreement that effectuates this extension.

5. In the event that the School District fails to meet the agreed-upon milestones per the three-year extension of the Twelfth Amendment as stated above, and if the City Manager determines the District is not substantially progressing on the Project, the failure to meet the foregoing milestones shall constitute a failure of a condition subsequent and shall make the title to the School Site recoverable by the City through the exercise of the power of termination in the Holding Agreement.

6. Except as provided herein with respect to the extensions of deadlines, all other terms and conditions of the Holding Agreement as amended shall remain in full force and effect.

IN WITNESS WHEREOF, City and School District have executed this Memorandum of Understanding effective as of the date first above written.

SANTA ROSA CITY SCHOOLS, a  
legal entity

CITY OF SANTA ROSA, a municipal  
corporation

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Steven J. Eichman  
Title: Assistant Superintendent-Business

Name: John Sawyer  
Title: Mayor

APPROVED AS TO FORM

\_\_\_\_\_  
CITY ATTORNEY