



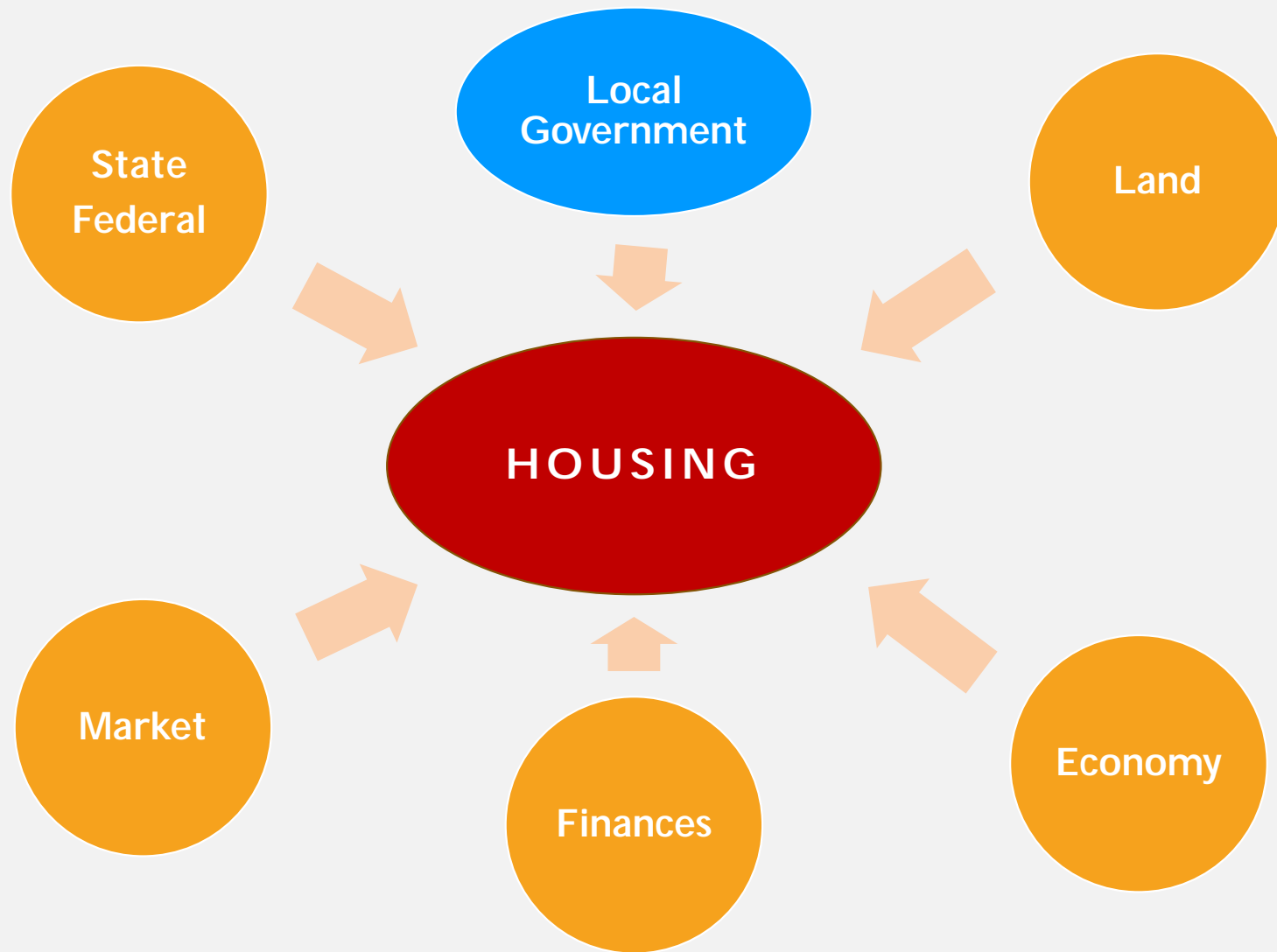
Downtown Asset Strategy -Study Session #2 Housing Action Plan and Santa Rosa Civic Center Analysis

City Council Meeting

September 13, 2022

Creating a Downtown City Asset Strategy

- The first study session in the downtown series was on August 23, 2022, Parking District Update, which provided a full update to Council on the current state of downtown parking.
- Today's study session, the second in the series, focuses on the Housing Action Plan, adopted in 2016 to facilitate the production of “Housing for All” and;
- The Santa Rosa Civic Center Feasibility Analysis, performed in 2019, which analyzed the possibility of rebuilding the Santa Rosa City Hall Complex as a way to increase land availability for housing, consolidate government services, address significant deferred maintenance of City Buildings and promote investment in the downtown.



POLITICAL WILL

2016 - adopted **Housing for All** as Tier 1 Priority

Six months of outreach, interviews, and City Council study sessions

Adopted the Santa Rosa **Housing Action Plan (HAP)**

2017 - **Downtown Housing** as a Tier 1 Priority

Authorized the negotiation of **Development agreements**

Authorized use of downtown **City property** to develop housing

Promoted the **UpDowntown** toolbox of incentives

2018 - present - **Housing for All** – City Council Goal

HOUSING ACTION PLAN OBJECTIVES

www.srcity.org/HAP

Programmatic approach to *Housing Element* implementation

Focus on housing *production* (beyond planning & policy)

Recognize need for “proactive” approach beyond traditional local government regulatory and subsidy efforts – removing barriers, lowering costs, and making housing-positive investments.

Commit to monitoring, accountability, and course-correction in response to changing conditions

HOUSING ACTION PLAN PROGRAM AREAS



PROGRAM 1:
INCREASE
INCLUSIONARY
AFFORDABLE
HOUSING



PROGRAM 2:
ACHIEVE
“AFFORDABILITY
BY DESIGN” IN
MARKET-RATE
PROJECTS



PROGRAM 3:
ASSEMBLE AND
OFFER PUBLIC
LAND FOR
HOUSING
DEVELOPMENT



PROGRAM 4:
IMPROVE
DEVELOPMENT
READINESS



PROGRAM 5:
INCREASE
AFFORDABLE
HOUSING
INVESTMENTS
AND
PARTNERSHIPS

HOUSING ACTION PLAN PROGRAM 3

- A) Seek affordable housing units in public land disposition projects; and
- B) Identify City (and other publicly owned) parcels suitable for housing production.

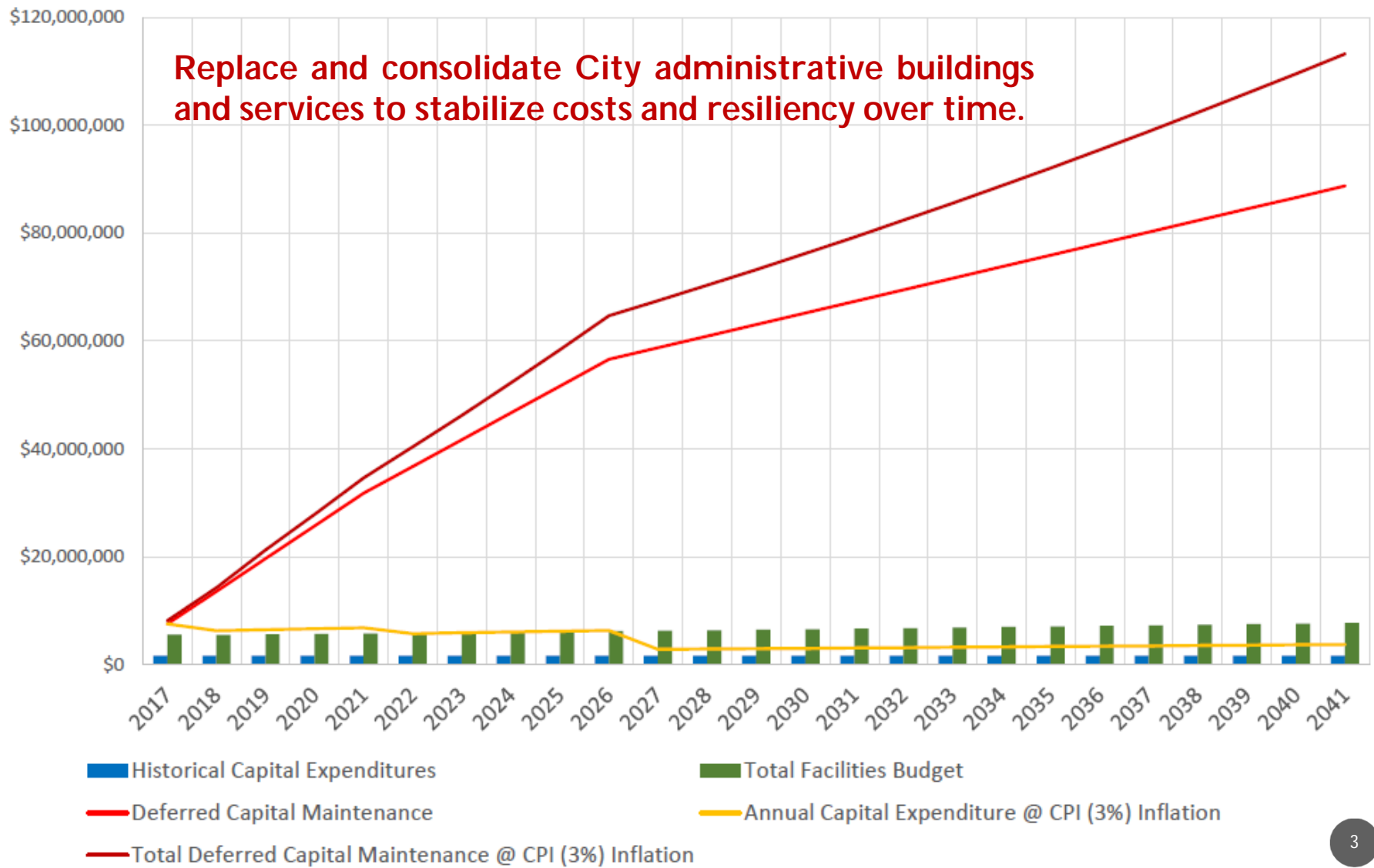


Santa Rosa Civic Center Feasibility Analysis

GOAL

To increase land availability for housing and mixed-use development through the consolidation of government services into a denser land use, thus providing streamlined access to services, while addressing deferred maintenance challenges.

DEFERRED CAPITAL MAINTENANCE ALL FACILITIES



**TRADITIONAL
(non-P3)**

Design-Bid-Build
(DBB)

**PUBLIC-PRIVATE PARTNERSHIPS
(P3)**

Design-Build
(DB)

Operations &
Maintenance
Contract
(O&M)

Design-Build-
Finance
(DBF)

Other private
financing

Design-Build-
Finance-
Operate-
Maintain
(DBFOM)

Design-Build-
Finance-
Operate
(DBFO)

Long-term
lease
concession

Build-Transfer-
Operate
(BTO)

Lease-Build-
Operate
(LBO)

Build-(Own)-
Operate-
Transfer
(BOT or BOOT)

**FULL
PRIVATIZATION
(non-P3)**

Build-Own-
Operate
(BOO)

Private sector
owns &
operates

Asset sale

Buy-Build-
Operate
10

JLL DELIVERABLES



Visioning & Goal Setting

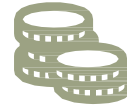
Development of overarching and specific goals



Market Analysis & Surplus Strategy

Site analysis describing risks and opportunities

- Menu of real estate and financing options
- Potential costs, and technical and zoning constraints associated with sites



Affordability & Financial Analysis

Analysis of financial costs and methods of financing

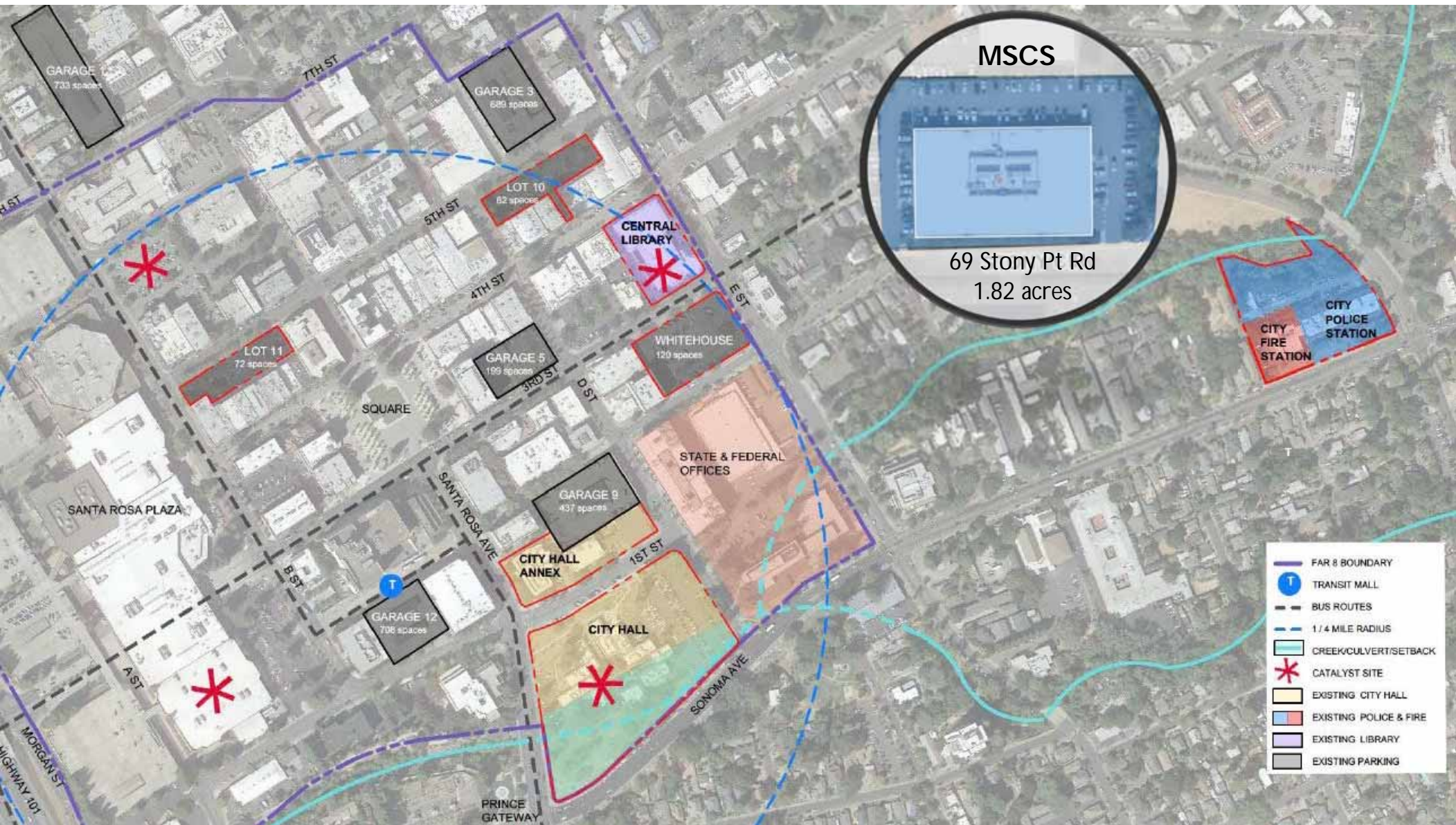
- Debt service payment analysis vs. financing structures and delivery methods



Summary of Conclusions

Due February 2020





CURRENT FACILITIES:	<i>Staff</i>	<i>GSF/Staff</i>	<i>GSF</i>	<i>Fleet Parking</i>	<i>Visitor Parking</i>	<i>Staff Parking</i>	<i>Total Parking</i>
GENERAL GOVERNMENT	419	299	129,528	129	48	317	494
CENTRAL LIBRARY			20,000		20		20
PUBLIC SAFETY	273		57,012	122	11	150	283
SCHOOL DISTRICT	135		?				?
COUNTY	?		?				?

PROGRAM ASSUMPTION (10% growth)	<i>Staff</i>		<i>GSF</i>				<i>Parking</i>
GENERAL GOVERNMENT	461	260	124,300	129	48	317	~500
CENTRAL LIBRARY			20,000		20	?	
PUBLIC SAFETY	287		62,700	122	11	150	~290
SCHOOL DISTRICT	148	250	37,000	?	?	101	~100?
COUNTY	850?		300,000	?	?	800	~800?

*Parking needs to be determined based on zoning and City policy. Currently City has parking for 76% of office staff. Program assumption is 68% of office staff

PROGRAM TEST FITS





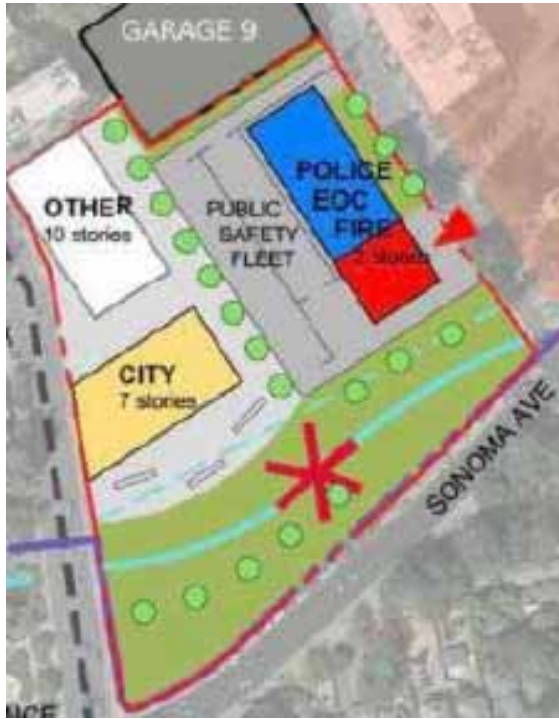
OPTION A:
URBAN CORE





OPTION B:
CITY HALL
GATEWAY





OPTION C:
CIVIC
SERVICE HUB

OPTIONS A & B:
POLICE
MAIN STATION



CONCEPTUAL COST COMPARISON

Program
All options include:
<ul style="list-style-type: none"> • City Hall • Library • Partner Space • Public Safety (w/o Fire Station) • Fire Station No. 1 • Creek Daylighting Project Allowance • Demolition/HazMat Allowance • Swing Space (Except Option A) • Contingency (add'l site work, etc)
<p>Total Est. Capital: \$290 M Est O&M Yr 1: \$2.5 M Est Cap. Renewal Yr 1: \$3.2 M</p>
Options B & C allow for County program (no cost to City)

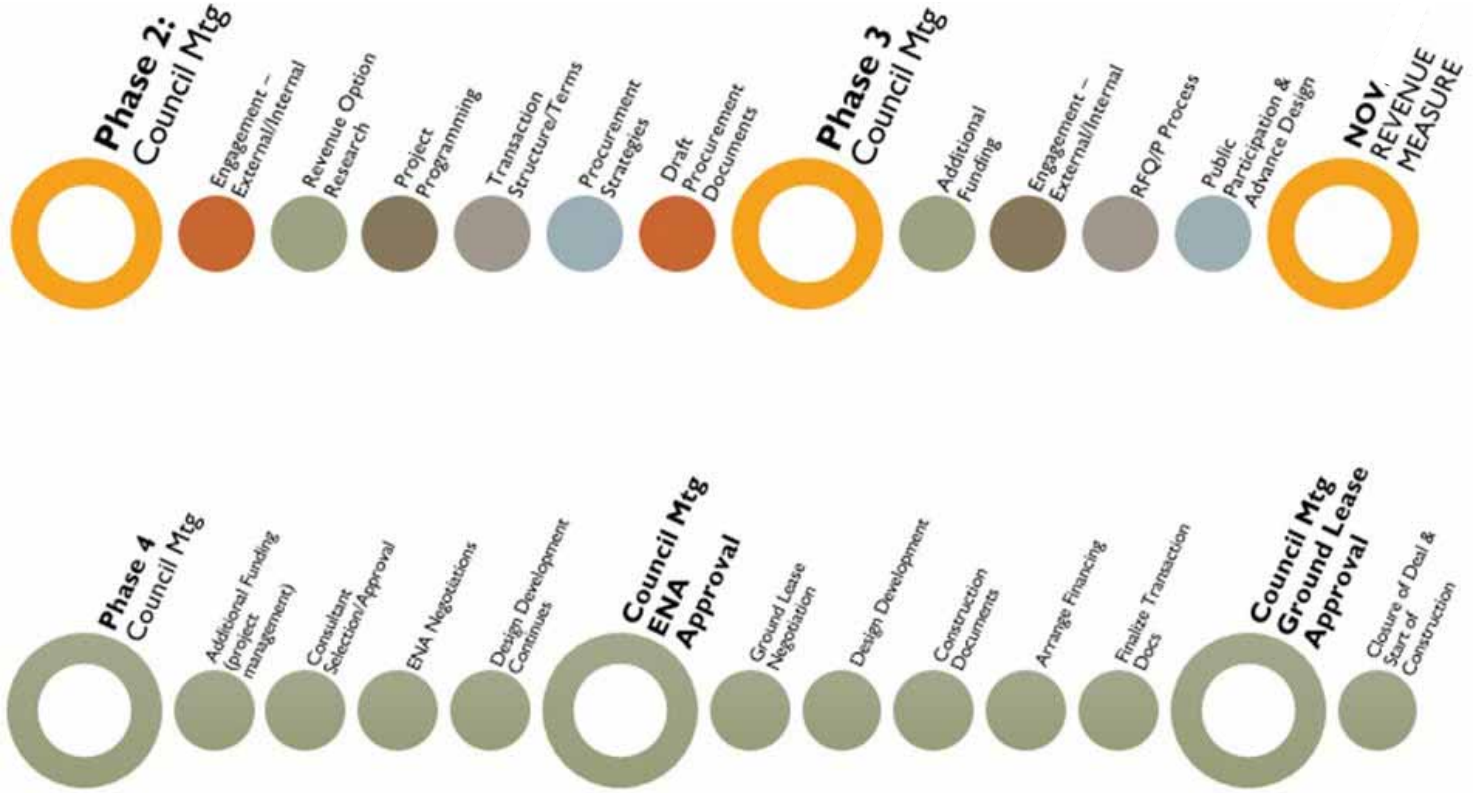
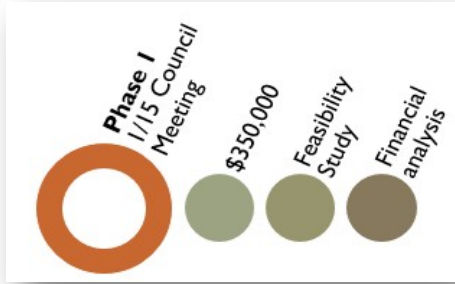
Parking
<ul style="list-style-type: none"> • Absorb surplus spaces w/i downtown radius • 1,118 spaces available before Program • City Hall / Library: 520 spaces • Partner: 100 spaces • County (Option B & C): 900 spaces (Requires county construction of a new garage)

Development Summary			
	Option A	Option B	Option C
Summary	Relocate City Hall and Fire Station No. 1 to Whitehouse Site, PS moves to Stony Point	New joint civic campus w/ County at current City Hall site, PS moves to Stony Point, new FS No. 1 on Sonoma Ave	Redevelopment of City Hall at current site, campused with Public Safety
Financial Assumptions			
	Option A	Option B	Option C
Total Est. Project Cost	\$283 M	\$285 M	\$285 M
Potential Surplus Sites			
	Option A	Option B	Option C
Total Potential Offsetting Capital:	Central Library Public Safety Bldg Site Public Parking Lot 10 Public Parking Lot 11 City Hall Campus City Hall Annex \$22 M	Central Library Public Safety Bldg Site Public Parking Lot 10 Public Parking Lot 11 Whitehouse Site \$17 M	Central Library Public Safety Bldg Site Public Parking Lot 10 Public Parking Lot 11 Whitehouse Site MSCS \$18 M
Resulting Finance Amount	\$261 M	\$269 M	\$267 M
Debt Service	\$15.1 M	\$15.5 M	\$15.4 M
	\$.8 M	\$.8 M	\$.8 M
	\$1.9 M	\$1.9 M	\$1.9 M
Remaining Payment Due	\$12.4 M	\$12.8 M	\$12.7 M
NPV of Expenditures	\$387 M	\$394 M	\$392 M

*2019 estimates



CITY TIMELINE



Fiscal Impacts and Challenges

01

If the Council were to direct Staff to continue with next steps in the P3 study, Staff would recommend updating the financial analysis and market sounding.

02

The General Fund does not have the capacity to pay debt service totaling ~ \$18.5 million/year nor do we currently have the funds to cover the deferred maintenance costs at the current City Hall complex.

03

Debt Service would need to be offset with increases in revenue, or expenditure reductions. Revenue offsets of this magnitude would be difficult, and expenditure reductions would have a crippling effect on General Fund operations.

Moving Forward



City Staff held the White House Site from current consideration for redevelopment in the Downtown City Asset Development Strategy until Council was able to review the full feasibility analysis presented here.

Staff seeks direction from Council on:

- 1) The feasibility of moving forward with the Civic Center Project at this time
- 2) Whether Staff should release the White House Site for consideration for redevelopment as part of the Downtown City Asset Strategy or continue to hold the site for a potential future Civic Center use.

Next Steps

The third and final Downtown City Asset Study Session is scheduled on October 11 and will cover:

- review the Surplus Lands Act (SLA)
- incorporate Council direction from the first two Study Sessions
- provide an overview of all Downtown City Assets, request direction on which assets to move forward with surplus for future redevelopment along with replacement vs. non replacement of parking.