



Authorization of Purchase Option Agreement
with California Public Finance Agency (CalPFA)
for
1020 Jennings Avenue (Property);
Support for CalPFA's Issuance of Tax-Exempt
Bonds for Property; and
Appropriation of Any Surplus Cash Received from
Property Into Fund 2282 for
Affordable Housing Purposes

City Council Meeting
October 16, 2018

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CURRENT

- CalPFA, in conjunction with Catalyst Housing, is acquiring market-rate multi-family rental complex at 1020 Jennings Avenue (Property).
- CalPFA requests that City enter into Purchase Option Agreement for Property; if Agreement approved, City can exercise between years 16 and 35 of CalPFA's ownership.

CURRENT

- City is an Additional Member of CalPFA via Resolution RES-2018-154.
- City membership in CalPFA allows CalPFA to issue tax-exempt bonds for projects within City's jurisdiction.

PROPOSED

- Acquisition of Property by CalPFA will increase supply of affordable housing units at 80% - 120% of Area Median Income (AMI).
- Purchase Option Agreement allows City to acquire the Property 15 years after CalPFA's acquisition, if City desires.
- City or Housing Authority acquisition considered when loss of affordability is possible.

BENEFIT

- Increases supply of units affordable to households earning 80% - 120% of AMI.
- Protection of affordability of units if Option exercised at year 16.
- Surplus cash generated by Property will be remitted to City for affordable housing production or preservation.

RECOMMENDATION

- It is recommended by the Housing and Community Services Department (HCS) that the Council, by resolution:
 - Authorize the Director of HCS to execute a Purchase Option Agreement between the City of Santa Rosa and the California Public Finance Authority (CalPFA) associated with the acquisition of 1020 Jennings Avenue (Property);

RECOMMENDATION

- Support CalPFA's issuance of tax-exempt bonds for the acquisition of the Property; and
- Appropriate any surplus cash received from the Project into Fund 2282 to be used by HCS for the acquisition, construction, preservation, and rehabilitation of affordable housing units in Santa Rosa.

Questions?