



APPROVAL OF A DISPOSITION AND DEVELOPMENT AGREEMENT
FOR A LOW-INCOME HOUSING DEVELOPMENT ON CITY PROPERTY
LOCATED AT 702 & 716 BENNETT VALLEY ROAD AND 921 & 927
RUTLEDGE AVENUE, SANTA ROSA, CA WITH FREEBIRD
DEVELOPMENT COMPANY, LLC AND ALLIED HOUSING INC.

City Council Meeting
June 29, 2021

Jill Scott, Real Estate Manager
Real Estate Services
Nicole Rathbun, Interim Housing and
Community Services Manager
Housing and Community Services

BACKGROUND

- On May 29, 2019 the City issued a Request For Qualifications and Proposals (RFQ/P) for a low-income housing development to be located on City Property at 702 & 716 Bennett Valley Road, and 921 & 927 Rutledge Avenue, Santa Rosa, APN's 009-333-014 & -009 and 038-151-004 & -011, also known as the former Bennett Valley Senior Center Complex.
- Proposals were due into the City on July 15, 2019, and of the two proposals received, Freebird Development, LLC and Allied Housing, Inc. (collectively "Developer") was chosen by Council on September 24, 2019.
- An Exclusive Negotiation Agreement (ENA) was negotiated with Developer and approved by Council on May 19, 2020.

BACKGROUND

- Pursuant to City Council's direction on price and terms, Staff has negotiated the terms of the Disposition and Development Agreement ("DDA") in compliance with the City codes as well as the City's stated housing objectives.
- Staff is here today seeking approval of the Council of the DDA.

Disposition and Development Agreement (“DDA”)

The DDA includes the following price and terms:

- Conveyance of the City Property consisting of approximately 1.9 acres to Freebird Development and Allied Housing (Developer)
- Approximately 62 units of affordable housing development
- City will agree to sell the property for \$1 on the condition that it will be used for affordable housing with the following restrictions:
 - Approximately 50% of the units will be set aside for Extremely Low Income/formerly homeless households/persons (30% of AMI)
 - Approximately 50% of the units will be set aside for Low and Very-Low Income households (60% and 50% of AMI)

Disposition and Development Agreement (“DDA”)

- The affordable housing restrictions will remain in place for 55 years and at closing, the City will record a regulatory agreement ensuring the long-term affordability of the Property.

Prior to the close of escrow, the Developer must:

- Secure all entitlements for the affordable housing project – which are currently complete.
- Secure all necessary financing for the project.
- Be in a position to have building permits issued for the project immediately following closing.

Purchase Price

The purchase price reflects the proposed developments benefit to the community, and the furtherance of multiple City goals and objectives including, but not limited to:

- Providing affordable housing at deep affordability levels including but not limited to formerly homeless households/persons; and
- Providing supportive services to assist those formerly homeless households/persons in transitioning from homelessness; and
- Helping the City in meeting its obligation to contribute to its fair share of regional housing needs including for Extremely Low-Income households; and
- Repurposing under-utilized City property for uses that serve a community benefit.

RECOMMENDATION

It is recommended by the Housing and Community Services and Transportation and Public Works Departments that Council, by resolution, approve the Disposition and Development Agreement on City property located at 702 & 716 Bennett Valley Road and 921 & 927 Rutledge Avenue, Santa Rosa, CA with Freebird Development Company, LLC and Allied Housing Inc., substantially in the form attached as Exhibit A and subject to City Attorney approval.

QUESTIONS?