



MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF SANTA ROSA AND THE SANTA ROSA
CITY SCHOOL DISTRICT TO ACHIEVE LOW AND/OR
MODERATE INCOME HOUSING FOR SCHOOL
DISTRICT EMPLOYEES ON FIR RIDGE DRIVE

City Council Meeting
June 28, 2016

Joey Hejnowicz
City Manager Fellow

ISSUE AT HAND

Shall the Council, by resolution, approve the Memorandum of Understanding (MOU) between the City of Santa Rosa (City) and the Santa Rosa City School District (School District), extending the Twelfth Amendment milestones to the Holding Agreement for an additional three years to memorialize the partnership between the City and the School District in order to achieve low and/or moderate income housing on Fir Ridge Drive, Lot “F” (APN 173-620-030)?

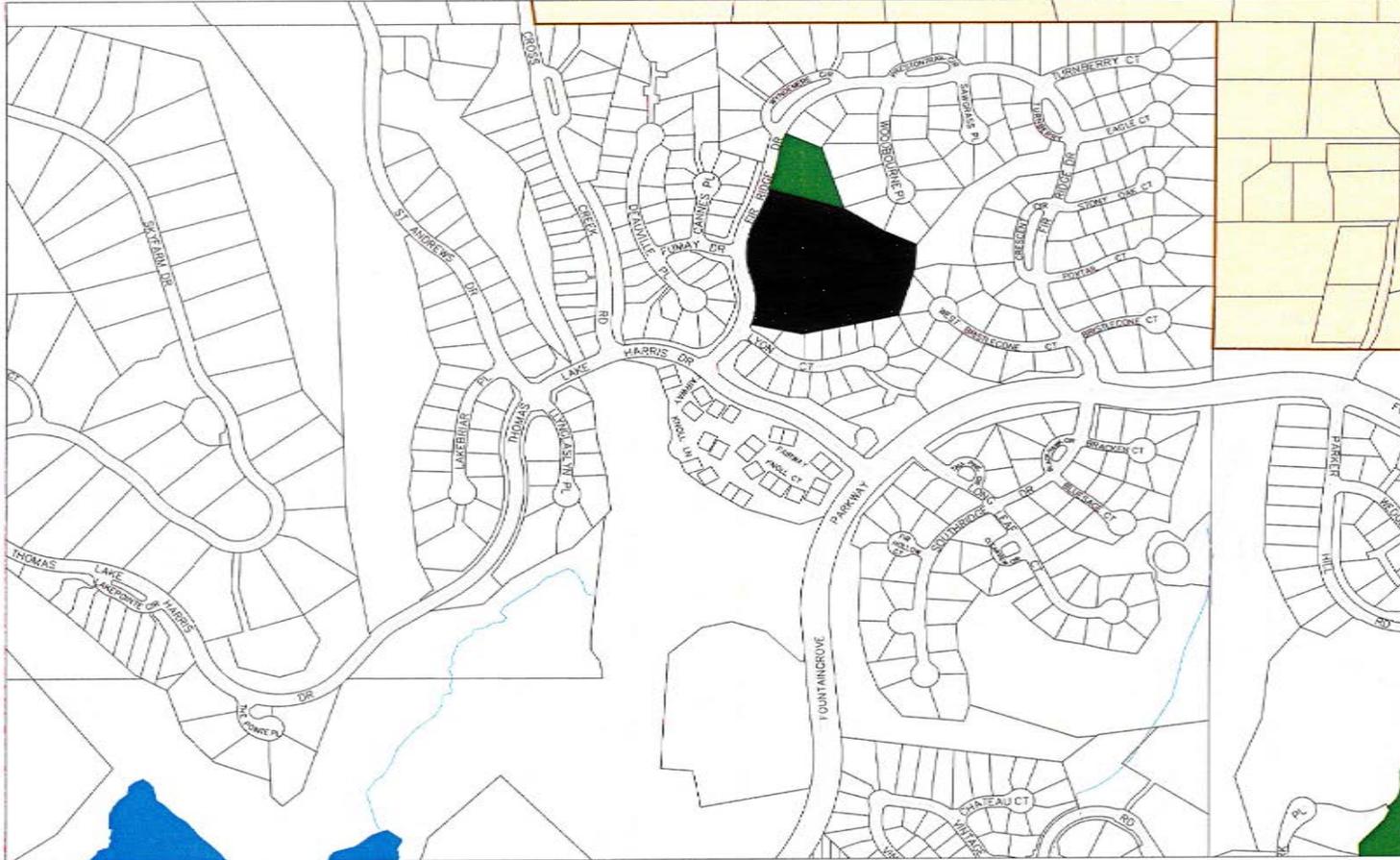
COUNCIL GOAL

Council Goal #5

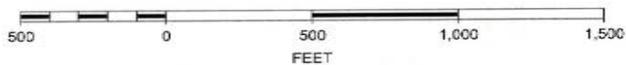
- Improve Partnerships between Neighborhoods, Community Organizations, Schools, and the City to Support and Promote Thriving, Inclusive, and Diverse Neighborhoods.
- “Housing for All” Council priority

FIR RIDGE DRIVE HOUSING SITE

Santa Rosa City School District Affordable Housing Site - Fir Ridge Drive (APN 173-620-030)



SCALE 1 : 6,097



HOLDING AGREEMENT BACKGROUND

- Approved by Council April 26, 1988
- Between City and subdivision developer
- Site to be held for construction of school, or low and/or moderate income housing
- 4-year negotiation period for School District to purchase Site from developer, or City to dedicate Site to School District

HOLDING AGREEMENT BACKGROUND

- 10-year timeline for School District to begin construction of school, or Site reverts to City.
- 5-year timeline for City to enter into an agreement for construction of affordable housing.
- If City timeline expires, developer has the right to recover title with no further obligation for dedication of the Site.

COUNCIL APPROVED AMENDMENTS

1992 – Amendment No. 1

Two-month extension to September 30, 1992, for negotiation between developer and School District.

1993 – Amendment No. 2

One-month extension to August 31, 1993, for School District acceptance of dedication offer by City.

1998 – Amendment No. 3

Five-year extension to August 2, 2003, for construction of a school on the Site.

COUNCIL APPROVED AMENDMENTS

2003 – Amendment No. 4

- One-month extension to September 2, 2003, for notification by School District of intent to build either a school, or low or moderate income housing for School District employees.
- One-year extension to September 2, 2004, to either begin school construction, or obtain land use approvals for affordable housing construction with an additional eight months to May 2, 2005, to begin affordable housing construction.

COUNCIL APPROVED AMENDMENTS

2005 – Amendment No. 5

- Ten-month extension to June 30, 2005, to obtain land use approvals for affordable housing construction.
- 14-month extension to June 30, 2006, to begin affordable housing construction.

2006 – Amendment No. 6

- Two-year extension to June 30, 2007, to obtain land use approvals.
- One-year extension to June 30, 2007, to begin construction of affordable housing.

COUNCIL APPROVED AMENDMENTS

2007 – Amendment No. 7

One-year extension to June 30, 2008, to begin construction of affordable housing.

2008 – Amendment No. 8

One-year extension to June 30, 2009, to obtain land use approvals and begin construction of affordable housing.

2009 – Amendment No. 9

Two-year extension to June 30, 2011, to obtain land use approvals and begin construction of affordable housing.

COUNCIL APPROVED AMENDMENTS

2011 – Amendment No. 10

Two-year extension to June 30, 2013, to obtain land use approvals and begin construction of affordable housing.

2013 – Amendment No. 11

Two-year extension to June 30, 2015, to obtain land use approvals and begin construction of affordable housing.

COUNCIL APPROVED AMENDMENTS

2015—Amendment No. 12

- Two-year extension to June 30, 2017, to obtain land use approvals and begin construction of affordable housing.
- Contingent on achievement of agreed upon milestones.

TWELFTH AMENDMENT MILESTONES

- (i) Apply to the City's Department of Community Development for a 12-month extension of the Project Approvals **no later than November 9, 2015**
- (ii) **No later than June 30, 2016**, enter into a fully executed contract with a developer, and have a funding plan in place, for the construction of the project
- (iii) Submit applications to the City's Community Development Department for further extension of the Project Approvals, if necessary, **on or before November 9, 2016**

TWELFTH AMENDMENT MILESTONES

CONT.

- (iv) **No later than June 30, 2017**, commence construction of the Project, which shall mean issuance of building permits for the Project and a construction timeline
- (v) Diligently pursue and complete construction of the Project in a timely manner

CURRENT SITUATION

- The City and School District wish to work in partnership towards the goal of providing for sale or rental housing for School District employees of low and/or moderate income on Fir Ridge Drive.
- The School District will not have both a fully executed contract in place with a developer and a funding plan prior to June 30, 2016, as required under the Twelfth Amendment.
- Since June 30, 2015 (Twelfth Amendment) the School District has made significant good faith efforts to make the low and/or moderate income Housing Project on Fir Ridge Drive a reality.

SCHOOL DISTRICT GOOD FAITH EFFORTS

- Obtained a Cultural Resources Study for use on the Project.
- Retained an Engineer and obtained an Engineer's Preliminary Estimate of Costs for the Project.
- Issued a Request for Proposals to obtain a developer for the property.
- Issued a Request for Proposals for counsel to assist with the development of Certificates of Participation to finance the Project.

RECOMMENDATION

Approve and execute the Memorandum of Understanding:

- Extending all milestones set forth in the Twelfth Amendment to the Holding Agreement for an additional three years.
- Authorizing the City Manager the authority and discretion to execute a further agreement to extend these milestones if the Project is progressing substantially.
- Memorializing the partnership between the City and School District to work together toward the goal of providing for sale or rental housing for School District employees of low and/or moderate income on Fir Ridge Drive.

QUESTIONS?