

RESOLUTION NO. RES-2018-181

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA AUTHORIZING THE DIRECTOR OF HOUSING & COMMUNITY SERVICES TO ENTER INTO A PURCHASE OPTION AGREEMENT WITH THE CALIFORNIA PUBLIC FINANCE AUTHORITY FOR 1020 JENNINGS AVENUE; SUPPORTING CALPFA'S ISSUANCE OF TAX-EXEMPT BONDS FOR ACQUISITION OF 1020 JENNINGS AVENUE; AND APPROPRIATING ANY SURPLUS CASH RECEIVED FROM THE PROJECT INTO FUND 2282 FOR AFFORDABLE HOUSING PURPOSES

WHEREAS, one of the City's primary goals is to meet the housing needs of its residents by actively supporting housing for all through protection, preservation, and production of market-rate and affordable housing; and

WHEREAS, the California Public Finance Authority (CalPFA) is a Joint Powers Authority that funds community public benefit projects throughout the state; and

WHEREAS, on September 4, 2018, the City Council, pursuant to Resolution RES-2018-154, authorized the City to join CalPFA as an Additional Member, thereby allowing developers to access tax-exempt bonds for the financing of affordable housing units; and

WHEREAS, CalPFA is in the process of utilizing said tax-exempt bonds to acquire a market rate rental property at 1020 Jennings Avenue that will be restricted through a CalPFA Regulatory Agreement to middle-income households, defined as those earning between 80% and 120% of Area Median Income; and

WHEREAS, the acquisition of the units located at 1020 Jennings Avenue by CalPFA will provide additional affordable housing units in Santa Rosa; and

WHEREAS, as a component of the transaction, CalPFA has requested that the City enter into a Purchase Option Agreement with CalPFA that can be exercised fifteen (15) years following the acquisition, allowing the City to acquire the property if desired; and

WHEREAS, as a public agency, CalPFA cannot retain any surplus cash that is generated through its ownership and operation of the property, therefore any surplus cash will be provided to the City to be directed towards affordable housing purposes.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa hereby supports CalPFA's acquisition of the property located at 1020 Jennings Avenue.

BE IT FURTHER RESOLVED that the Council authorizes the Director of Housing and Community Services to execute a Purchase Option Agreement with CalPFA in substantially the same form attached hereto as Exhibit A subject to the approval as to final form by the City Attorney.

BE IT FURTHER RESOLVED that the Council will appropriate any surplus cash received by the Project into Fund 2282 to be used by the Department of Housing and Community Services for the acquisition, construction, preservation, and rehabilitation of affordable housing units.

IN COUNCIL DULY PASSED this 16th day of October, 2018.

AYES: (5) Mayor Coursey, Council Members Combs, Sawyer, Schwedhelm, Tibbetts

NOES: (0)

ABSENT: (1) Vice Mayor Rogers, Council Member Olivares

ABSTAIN: (0)

ATTEST: _____ APPROVED: _____
City Clerk Mayor

APPROVED AS TO FORM:

City Attorney

Exhibit A – Sample Purchase Option Agreement