

RESOLUTION NO. 28113

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA APPROVING THE NORTH VILLAGE II HOUSING ALLOCATION PLAN (HAP) CONTRACT BETWEEN THE CITY OF SANTA ROSA, THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA, AND FULTON ROAD INVESTORS LLC

WHEREAS, on April 14, 2012, the Planning Commission adopted (6-0) a Supplemental Environmental Impact Report (EIR) to the Northwest Santa Rosa (NWSR) 3-97 Annexation EIR for the North Village II project; and approved (6-0) a Conditional Use Permit and Tentative Map to subdivide a 17.89 acre parcel into 70 lots to accommodate the construction of 120 single-family and multi-family residential dwelling units, an onsite community center, and private open space; and

WHEREAS, as part of the approval of the North Village II Project, the Planning Commission expressed support for an alternative approach to comply with the City's Housing Allocation Plan (HAP); and

WHEREAS, Section 21-02.122 of the HAP ordinance encourages innovation in meeting the objectives of the HAP and in projects providing on site affordable housing; and

WHEREAS, the Department of Economic Development and Housing prepared a partially executed North Village II Housing Allocation Plan (HAP) Contract in the form attached hereto as Exhibit A and made part hereof (HAP Contract) between the City of Santa Rosa, the Housing Authority of the City of Santa Rosa, and Fulton Road Investors LLC, that would require the construction of 31 affordable rental units for low income households, and one (1) unrestricted resident manager unit, on site as part of the North Village II project, and in exchange, the HAP Contract allows for the release of 16 affordable housing units provided in connection with North Village I and under an existing HAP Contract; and

WHEREAS, the proposed HAP Contract would allow the City and the Housing Authority to restrict the 31 units to maintain rents affordable to low income households for 30 years while complying with new state law constraints; and

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa, based on the information and materials presented, including the staff report and testimony, approves the HAP Contract between City of Santa Rosa, the Housing Authority of the City of Santa Rosa, and Fulton Road Investors LLC, in the form attached as Exhibit A and authorizes execution of same on behalf of the City.

IN COUNCIL DULY PASSED this 5th day of June, 2012.


AYES: (7) Mayor Olivares, Vice Mayor Sawyer, Council Members Bartley, Gorin, Ours, Vas Dupre, Wysocky

NOES: (0)

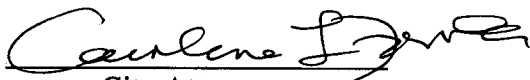
ABSENT: (0)

ABSTAIN: (0)

ATTEST:   
City Clerk

APPROVED:   
Mayor

APPROVED AS TO FORM:

  
City Attorney

**NO FEE**

This Document is being recorded  
for the benefit of the City of Santa Rosa  
as per Gov't Code Section 6103

**WHEN RECORDED MAIL TO:**

HOUSING AUTHORITY OF  
THE CITY OF SANTA ROSA  
P. O. Box 1806  
Santa Rosa, CA 95402-1806

Space Above This Line For Recorder's Use

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**HOUSING ALLOCATION PLAN CONTRACT**  
**BETWEEN THE CITY OF SANTA ROSA,**  
**THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA**  
**AND**  
**FULTON ROAD INVESTORS, LIMITED LIABILITY COMPANY**  
**A CALIFORNIA LIMITED LIABILITY COMPANY**

**RE: 2406 FULTON ROAD**

**NORTH VILLAGE II**

**Rental Units**

**HOUSING ALLOCATION PLAN CONTRACT  
North Village II**

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**EXHIBITS**

Exhibit A	Legal Description
Exhibit B	Map of Development Designating Property Lots Intended for Construction of Allocated Units
Exhibit C	Form of Agreement Establishing Date of First Rental
Exhibit D	Income Certification Form
Exhibit E	Income Guidelines
Exhibit F	Utility Allowances

**HOUSING ALLOCATION PLAN CONTRACT  
BETWEEN THE CITY OF SANTA ROSA and  
THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA  
AND FULTON ROAD INVESTORS LIMITED LIABILITY COMPANY,  
A CALIFORNIA LIMITED LIABILITY COMPANY  
RE: NORTH VILLAGE II  
2406 FULTON ROAD**

The parties to this Housing Allocation Plan Contract ("Contract") are THE CITY OF SANTA ROSA, a California charter city ("City"), THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA ("Authority") and FULTON ROAD INVESTORS LIMITED LIABILITY COMPANY, a California Limited Liability Company ("Owner").

**BACKGROUND**

Owner is the owner of certain real property and a proposed project in the City of Santa Rosa, commonly known as "North Village II," which is located at 2406 Fulton Road, Santa Rosa, Sonoma County, California (a legal description of which is attached to this Contract and incorporated into it as Exhibit A).

This Contract sets forth the terms and conditions of the agreement between City, Owner and Authority by which Owner shall provide, on-site, and as part of North Village II, thirty-one (31) affordable rental housing units to low income households, all pursuant to the Housing Allocation Plan ("HAP"), which plan was established by the City Council of the City of Santa Rosa on June 2, 1992, and adopted as Ordinance No. 2961 on June 9, 1992, under Chapter 21-02 of the Santa Rosa City Code – Housing Allocation Plan, with various amendments between June 9, 1992, and May 14, 2002, all as amended by Ordinance 3561 on May 14, 2002 (the "Ordinance").

North Village II is the second phase of Owner's overall project called North Village, which also includes the first phase known as North Village I. The parties to this Contract have previously entered into that certain Housing Allocation Plan Contract, dated May 25, 2006, and recorded on July 14, 2006, in the official records of Sonoma County, Document No. 2006087624 (hereinafter known as the "North Village I HAP Contract"), which sets forth the agreement between the parties by which Owner provided, on site as part of North Village I, sixteen (16) affordable rental housing units to low income households pursuant to the requirements of the HAP and the conditions of approval for North Village I.

Pursuant to the Ordinance, the requirement for the provision of on-site, affordable housing units in North Village II is eighteen (18) housing units affordable to low income households, which together with the sixteen (16) affordable housing units required and previously provided by Owner to low income households in North Village I, is a total of

thirty-four (34) on-site affordable housing units for low income households required of the overall North Village project.

In connection with City's approval of North Village II, the parties hereto have negotiated to allow Owner to meet the HAP requirements for the overall North Village project by constructing thirty-one (31) affordable rental units for low income households, and one (1) unrestricted resident manager unit, on-site as part of the North Village II project. In exchange for Owner providing thirty-one (31) affordable units as rental units in the North Village II project, City has agreed to release the sixteen (16) affordable housing units provided in connection with North Village I, upon the terms and conditions as set forth herein.

Pursuant to the conditions by which North Village II was approved, Authority is hereby delegated the responsibility of monitoring and enforcing the affordable housing requirements set forth in this Contract.

**NOW, THEREFORE, IT IS AGREED:**

**SECTION 1. Recitals Part of Contract**

The recitals set forth in the BACKGROUND part of this Contract are all true and correct and are made a part of this Contract.

**SECTION 2. Definitions**

Unless otherwise expressly provided herein or unless the context clearly requires otherwise, the following terms shall mean:

**"Allocated Unit" or "Unit"**: one of the thirty-one (31) newly constructed "for-rent" dwelling units which Owner is required to set aside for rental to Low Income Tenants at restricted rent levels as set forth in this Contract. The Allocated Units are designated on that portion of the development consisting of fourteen (14) lots known as Lots 13, 14, 15, 16, 17, 36, 37, 38, 39, 40, 41, 42, 43, and 44 of North Village II, and designated on the map of the North Village II development, made part hereof and shown as Exhibit B of this Contract.

**"Area"**: Santa Rosa/Petaluma Primary Metropolitan Statistical Area ("PMSA") as determined by the Secretary of Housing and Urban Development ("HUD") under Section 8(f)(3) of the United States Housing Act of 1937, as amended.

**"Authority"**: the Housing Authority of the City of Santa Rosa. As used in this Contract, the term also refers to staff of the Authority in carrying out normal administrative duties in relation to the Contract.

**"City"**: the City of Santa Rosa.

**"Date of First Rental"**: the date that not less than fifty percent (50%) of the Allocated Units within North Village II are first occupied by a qualified Tenant following receipt by Authority of City's approval of occupancy (sometimes referred to as a "Certificate of Occupancy" or "Final Inspection"). As soon after the Date of First Rental as is reasonably practicable, the parties shall execute and cause to be recorded in the Sonoma County Official Records a suitable instrument, entitled "Agreement Establishing Date of First Rental", the form of which is attached hereto as Exhibit C and made part of this Contract, which instrument shall confirm this date for purposes of determining the commencement of the affordability term of this Contract. The failure to record such instrument shall not alter the requirements of this Contract.

**"Development"**: the North Village II subdivision development located in Santa Rosa, Sonoma County, California, at 2406 Fulton Road, a legal description of which is attached to this Contract and incorporated into it as Exhibit A.

**"HUD"**: the United States Department of Housing and Urban Development and its successors.

**"Income Certification"**: a certification as to income executed by a household in an Allocated Unit together with a signed approval by Authority, all in the form attached hereto as Exhibit D.

**"Income Guidelines"**: the compilation of data periodically updated and published by Authority setting forth the targeted population's standard income levels. At the time this Contract is executed, the primary source of information for the Income Guideline is HUD. Should the HUD data no longer be available, Authority shall select an alternative method of arriving at a similar guideline, and Owner, its successors or assigns shall be bound by that alternative throughout the effective period of this Contract. A copy of the present Income Guidelines is attached hereto as Exhibit E.

**"Low Income Tenant(s)" or "Tenant(s)"**: the qualified occupant(s) of an Allocated Unit, whose household income, adjusted for household size, as computed pursuant to the Income Certification, does not exceed the low income maximum which is based on statistical information provided by HUD from time to time. For this Contract, the low income maximum is no greater than eighty percent (80%) of the Median Gross Income for the Area.

**"Median Income" or "Area Median Income" or "AMI"**: the median income for the Santa Rosa/Petaluma Primary Metropolitan Statistical Area ("PMSA" or the "Area") as determined by HUD under Section 8(f)(3) of the United States Housing Act of 1937, as amended from time to time.

**"Notice of Availability"**: the written notice provided by Owner to Authority thirty (30) days before any of the Allocated Units is first available for occupancy.

**"Owner"**: Fulton Road Investors Limited Liability Company, a California limited liability company, its successors and assignees.

**"Project"**: for purposes of this Contract, the Project shall mean the Allocated Units, the resident manager's unit, and the common areas and facilities of the North Village II development available for use by the Tenants of the Allocated Units.

## **SECTION 2.1 Interpretation of Contract**

Words importing any gender include all genders. Words importing persons include firms, associations and corporations. Words importing the singular shall include the plural and vice versa.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Contract: the term "heretofore" means before the date of the Contract; and the term "hereafter" means after the date of this Contract.

Sections mentioned by number only are the respective Sections of this Contract so numbered. Reference to "this Section," or "this subsection" shall refer to the particular Section or subsection in which such reference appears. Any captions, titles or heading preceding the text of any Section or subsection herein and any table of contents or index attached to this Contract or any copy thereof are solely for convenience of reference and shall not constitute part of this Contract or affect its meaning, construction, or effect.

## **SECTION 3. Term**

A. **Contract**. The term of this Contract shall commence upon the date of its execution and shall remain in effect until restrictions referred to herein have expired on all Allocated Units.

B. **Allocated Units**. The Thirty-one (31) Allocated Units to be provided by Owner as part of North Village II pursuant to the Ordinance shall be held, set aside and restricted for occupancy of Low Income Tenants in accordance with the provisions of this Contract for a period of thirty (30) years from the Date of First Rental (the "Term").

## **SECTION 4. Release of North Village I Units**

A. City hereby agrees to release two (2) of the sixteen (16) North Village I affordable housing units from the requirements of the North Village I HAP Contract upon the occurrence of (i) execution of this Contract, and (ii) a vacancy of the unit. At such time as one of the North Village I affordable units is vacated following full execution of



this Contract, Owner may request the execution of a release. In conjunction with such request for release, Owner shall provide evidence of the vacancy of said unit, by physical inspection, or such other means acceptable to Authority. In the event that the unit is one of a duplex, not legally able to be released as a separate unit, then Authority will issue a letter acknowledging the right to release and indicating that compliance and enforcement under the North Village I HAP Contract shall not apply to such unit, and the release will be executed at the time set forth in subsection (B), below.

B. City hereby agrees to release the remaining fourteen (14) North Village I affordable housing units from the requirements of the North Village I HAP Contract at such time as the thirty-one (31) North Village II Allocated Units are available for occupancy as set forth in the Notice of Availability. Owner shall also provide any tenants then residing in one of the fourteen (14) North Village I affordable units, priority for relocation to the North Village II Allocated Units. Owner shall give proper written notification, not less than five months prior to the Notice of Availability for the Allocated Units, to each of the then current tenants of the fourteen (14) North Village I affordable housing units, of (i) the release of the North Village I affordable units, (ii) rental increases that will result from the release, and (iii) their priority rights to relocate to one of the North Village II Allocated Units, along with the income eligibility requirements for the North Village II Allocated Units as set forth in this Contract.

C. City hereby authorizes the Executive Director of the Housing Authority, or designee, to execute a release in compliance with this Section, in a form adequate to be recorded in the Official Records of Sonoma County to effect a release of such unit(s) from the North Village HAP I Contract

#### **SECTION 5. Bond Issue**

Owner hereby agrees, as part of the consideration to City in entering into this Contract, that City shall be the issuer of any multifamily housing revenue bonds that are issued for financing the North Village II Allocated Units, provided, however, Owner may elect an alternate issuer in the event that Owner provides documentation that bond issuance costs to be incurred by Owner would be materially lower with such other issuer.

#### **SECTION 6. Allocated Units and Resident Manager Unit; Time of Construction**

All the Allocated Units in the Development shall be comparable in exterior appearance to the other units in the Development. Each Allocated Unit shall be at least two (2) bedrooms and contain at least 800 square feet of living area. The following is the planned breakdown of the Allocated Units in this Development:

2 BR:	19 Allocated Units
3 BR:	13 Allocated Units
Total	31 Allocated Units.

There shall be one (1) unrestricted resident manager unit within the Development for a total of thirty-two (32) units within the Project. Owner hereby agrees that construction of the Allocated Units shall commence generally concurrent with construction of the market rate units within the North Village II project in accordance with Santa Rosa City Code Section 21-02.150. Construction of the Project shall be completed and the units ready for occupancy not later than December 31, 2013.

## **SECTION 7. Ownership and Occupancy of Allocated Units**

A. **Common Ownership.** In order for Authority to monitor compliance and to be able to maintain the affordability of the Allocated Units hereunder, it is a requirement under this Contract that the Allocated Units and the resident manager's unit be held and maintained under common ownership, financing and management during the Term, notwithstanding the fact that certain of the Allocated Units have been subdivided to allow sale of individual or duplex units.

B. **Notice of Availability.** Owner shall provide Authority with a Notice of Availability thirty (30) days before any of the Allocated Units is first available for occupancy. After the Date of First Rental, all of the Allocated Units shall be rented only to Low Income Tenants. The Owner shall give priority to those tenants occupying the fourteen (14) North Village I affordable housing units that are to be released from the income restrictions in accordance with Section 4 of this Contract.

C. **Certification Prior to Occupancy.** No tenant shall be allowed to occupy any Allocated Unit until submission of an Income Certification form which sets forth accurately and honestly the tenant income and household information, and not until after Authority has notified Owner, in writing, of its approval of such certification.

D. **Exception to Prior Certification/Tax Credit Financing.** If the affordable housing portion of the Development (i.e., all the Allocated Units) becomes qualified for Tax Credit financing through the California Tax Credit Allocation Committee ("TCAC"), then the Authority may, in its discretion, waive the foregoing requirement of Section 7.C., for prior approval of a tenant's eligibility, so long as such eligibility is certified by Owner in accordance with the certification requirements of the TCAC, and a copy thereof is promptly delivered to the Authority. The Authority may reinstate the prior certification requirement at any time by giving Owner thirty (30) days written notice.

## **SECTION 8. Rent Levels**

A. **Maximum Rent Level.** During the term of this Contract, the maximum monthly rent Owner may charge for an Allocated Unit occupied by a Low Income Tenant is restricted to a monthly rent which does not exceed 30 percent of 60 percent of the annual Median Income, adjusted to the level of 1.5 persons per bedroom, and divided by

12, less a monthly "Utility Allowance" to be determined as set forth below.

(1) Number of Bedrooms. An adjustment must be made to equate income levels to the number of bedrooms. The adjustment for unit size is based on the assumption of 1.5 persons per bedroom as follows:

2 bedroom units utilize incomes equivalent to 3.0 persons  
3 bedroom units utilize incomes equivalent to 4.5 persons

(2) Utility Allowance. The Utility Allowances issued by Authority and adjusted from time to time shall be used to calculate the appropriate allowance for tenant paid utilities to be deducted in the rent calculation. A copy of the present Utility Allowances are attached hereto as Exhibit F.

(3) Example of Maximum Rent Level Calculation. The following example shows how the maximum rent level for a two bedroom Low Income Allocated Unit is established. The Utility Allowance used in the example is an amount used for illustrative purposes only.

3 persons Median Income x .60 x .30 ÷ 12 - Utility Allowance = the maximum rent rounded to the nearest dollar

$\$73,350 \times .60 \times .30 \div 12 - \$211 = \text{maximum rent}$

$\$73,350 \times .60 \times .30 \div 12 - \$211 = \$874.25$  (round down to \$874)

B. Maximum Rent Level Adjustments. During the entire period that this Contract is applicable to any Allocated Unit, Owner may be required to adjust rent for all Tenants of the Allocated Units in accordance with the intervening fluctuations in rent levels resulting from Median Income adjustments by HUD. Any increase may be passed on to the Tenants by Owner in accordance with the law. Any decrease must be passed on to the Tenants within sixty (60) days after notification by Authority of a change in the rent level under the program requirements. Decreases that result in rents below the initial affordable maximum rent do not have to be passed on to the Tenants. Owner may not increase rents for any Allocated Unit more than once every twelve (12) months during the term of this Contract.

## **SECTION 9. Compliance Requirements**

A. Ordinance and Laws. Owner agrees to comply with all of the requirements of the Ordinance, and with all local, state and federal laws and regulations applicable to the construction, maintenance, occupation, development and rental of the Allocated Units, including zoning, housing, building and fire codes. All such laws, regulations and legal requirements are incorporated into and made part of this Contract. Any failure to

comply with any such requirements shall constitute a default of this Contract.

B. Compliance Check. Owner shall cooperate at all times by promptly providing Authority with all information required to verify rents and Tenants' income. Owner shall permit Authority to contact Tenants to verify rents and Tenants' income, and shall permit Authority to inspect all rental records of Owner, after reasonable notice. Owner must disclose to each qualified Tenant the compliance requirements that involve the Tenant's participation.

C. Compliance Fee. Owner shall pay to Authority, for its ongoing compliance and monitoring duties, an annual fee of \$109.00 for each Allocated Unit, as may increase over time. The annual fee for all the Allocated Units shall be first paid by Owner on the date the Notice of Availability is submitted to Authority and shall be paid annually thereafter, due on the anniversary date of the Notice of Availability. The foregoing fee shall be waived by the Authority in the event that the City is the issuer of any multifamily housing revenue bonds that are issued for financing the North Village II Allocated Units. If the City is not the issuer of any multifamily housing revenue bonds, then the foregoing fee shall be waived by the Authority for so long as the Authority waives the prior certification of tenant requirement under Section 7.D. of this Contract.

D. Quarterly Occupancy Status Report. In addition to the other reporting requirements under this Contract, Owner shall deliver to Authority by the 15<sup>th</sup> of January, the 15<sup>th</sup> of April, the 15<sup>th</sup> of July, and the 15<sup>th</sup> of October of each year, a status report regarding the Allocated Units, specifying:

- (1) The number of Allocated Unit(s) available to and/or actually occupied by qualified Tenants certified by the Authority;
- 2) A list of current Heads of Household names, Unit number, number of members in Household, number of bedrooms, rent charged, initial certification/move-in date, and date of last certification;
- (3) The current rent charged for the Unit; and
- (4) General management performance, including Tenant relations and other relevant information, such as Tenant complaints, construction or maintenance problems, neighborhood situations which pose risks to the Tenants or to the project itself.

E. Annual Recertification of Tenant's Income. Owner must review and recertify each Tenant's income once every twelve (12) months, to assure the Tenant's ongoing eligibility under this Contract. Owner shall provide a report to Authority once a year by September 15th that must be signed by a duly authorized agent of Owner. The report shall include information on Tenant income and rent for each Allocated Unit. The report shall contain a certification that, during the prior twelve (12) month period from

July 1 to June 30:

- (1) Owner has complied with all its obligations under this Contract;
- (2) Owner has complied with the requirement to submit to Authority an annual recertification for each Tenant's income under this Contract, and that all Tenants of Allocated Units are duly and properly qualified as to income and rent level;
- (3) Owner has preserved written records verifying Tenant income certifications, and;
- (4) Owner has provided Authority completed Tenant Income Certification forms, along with third party proof of income.

Authority or its designee may perform Tenant file inspections, including review of income certifications, supporting documentation, rent records, utility allowance documentation, and any other information deemed necessary to Authority. Advance notice will not be given of Authority's selection process for which Tenant records will be inspected. However, Owner will be given reasonable notice of the inspection date.

F. Effects of Tenant Income Fluctuations. If, upon review of Tenant income, a previously qualified household no longer qualifies for the Allocated Unit, the household may continue to occupy the Allocated Unit for so long as the increase in the total household income does not exceed one hundred twelve percent (112%) of the then current maximum qualifying income for the Allocated Unit.

If any previously qualified household's income exceeds the 112% limit, the household must vacate the Allocated Unit within six (6) months after it is determined that the household's income no longer qualifies. Owner shall deliver written notice to the Tenant of the income determination and reasons for the termination. Tenancy shall not be terminated if, within the six-month noticing period, evidence is provided that the Tenant's income has decreased to a level that would qualify the household.

In the event that the Project receives tax credit financing, the requirements of the United States Internal Revenue Code Section 42 shall supersede any requirements of this subsection.

## **SECTION 10. Operation of the Project**

At all times during the Term the Project must be operated in conformance with local, state and federal laws and regulations. Authority must be informed of any substantial complaints about the Allocated Units or the Project. "Complaints" include, but are not necessarily limited to objections, protests, formal legal or administrative actions, and any material objections, all about or relating to the Property, the management, the

Allocated Units, Tenants, managers, the neighboring homes and their occupants, police, fire and building officials. If Owner has failed to comply with such laws and regulations or with this Contract, that failure shall constitute a default under this Contract.

## **SECTION 11. Property Management and Standards**

Owner shall maintain the Allocated Units and the Project in decent, safe and sanitary condition at all times. Owner shall comply with all applicable zoning, housing, building and fire codes. Owner shall not materially take away from, or materially alter features of the Units or of the Project, or otherwise change, alter or reduce any real or personal property of the Units or of the Project, without prior written approval of the Authority. Owner shall not demolish any part of the Project. Normal maintenance and repair are not precluded by the provisions of this subsection.

Authority has the right to inspect the interior of the Project with proper advance notice, and the exterior of the Project with no advance notice.

Owner shall be responsible for providing adequate property management for the Allocated Units and the Project either by performing the services itself or by hiring the services of a professional property manager. These responsibilities include processing financial statements, handling of receivables and payables, Tenant selection, and compliance with terms and conditions of this Contract. Owner shall adopt and implement on a regular basis some minimum standards and criteria for Tenant selection, e.g., references, credit, and criminal background checks.

Owner is approved to serve as the manager of the Project. Any other on-site project manager, resident manager, or any other management company hired to manage the Project must be experienced and qualified for the responsibilities involved, including without limitation, experience in managing rental properties for low income persons and must be approved, in writing, by Authority prior to hiring. Authority's approval will not be unreasonably withheld. Any hiring in violation of this provision is voidable at the election of Authority.

In the event Owner or its manager have failed to provide proper management of the Allocated Units or the Project, Authority may require Owner to hire the services of a professional property management company which shall be responsible for the above services.

## **SECTION 12. Insurance**

Owner shall maintain in full force and effect all of the insurance coverage described in, and in accordance with, Attachment One, "Insurance Requirements", which is attached hereto and hereby incorporated and made part of this Contract by this reference. Maintenance of the insurance coverage as set forth in Attachment One is a

material element of this Contract. Failure by Owner to (i) maintain or renew coverage, (ii) provide Authority notice of any changes, modifications, or reductions in coverage, or (iii) provide evidence of renewal, may be treated by Authority as a material breach of this Contract by Owner. In the event that Owner fails to maintain the full insurance coverage required herein, Authority, after at least ten (10) days written notice to Owner, may, but shall not be obligated to, take out the required insurance policies and pay the premiums on such policies. Notwithstanding the foregoing, any failure by Owner to maintain required insurance coverage shall not excuse or alleviate Owner from any of its other duties or obligations under this Contract. Owner shall assure that any, contractors, subcontractors or consultants utilized in connection with the Project maintain, all of the insurance coverage requirements set forth in the Insurance Requirements at Attachment One.

### **SECTION 13. Indemnity**

Owner agrees to accept responsibility for loss or damage to any person or entity, and to defend, indemnify, hold harmless and release Authority and City, their officers, agents and employees, from actions, claims, damages, liabilities, disabilities or the cost of litigations that are asserted by any person or entity to the extent arising out of the negligent acts or omissions or willful misconduct in the performance by Owner hereunder, whether or not there is concurrent negligence on the part of Authority or City (and whether or not the action or claim is meritorious), but excluding liability due to the sole, active negligence or willful misconduct of Authority or City. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Owner or its agents, under workers' compensation acts, disability benefits acts or other employees' benefits acts.

### **SECTION 14. Availability of Records**

All Tenant lists, applications, verification of Tenant income, and waiting lists relating to the Allocated Units in the Project and relating to applicants for occupancy of such Allocated Units shall at all times be kept separate and identifiable from any other business of Owner which is unrelated to the Development. This information shall be maintained by Owner in a reasonable condition for proper audit, and is subject to examination during business hours by a representative of Authority to the extent permissible under laws and regulations protecting individual confidentiality. Failure to keep such lists and applications or to make them available to Authority will be a default hereunder. At all times, Owner shall maintain such records for at least the three (3) prior years, and for at least a minimum of three (3) years beyond the term of this Contract.

### **SECTION 15. Nondiscrimination**

Owner shall not exclude or discriminate against any person in the United States on the grounds of race, color, religion, national origin, sex, sexual orientation, familial

status, source of income, physical or mental disability, or age, nor shall Owner prevent any such person from participating in, or benefiting from, any program or activity related to the Project on those grounds. Specifically, Owner must not, based on the above grounds:

- A. Deny any service or other benefit provided under any program activity;
- B. Provide any service or other benefit which is different, or is provided in a different form, from that provided to others under any program or activity;
- C. Subject to segregated or separate treatment in any facility in, or in any manner or process related to receipt of any service or benefit under, any program or activity;
- D. Restrict in any way the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit under any program or activity; or
- E. Treat an individual differently from others in determining whether that individual satisfies any admission, enrollment, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any service or other benefit provided under any program or activity.

#### **SECTION 16. Defaults; Remedies**

A default of this Contract shall occur if Owner fails to observe or perform any covenant, condition or agreement contained herein. In addition, a default shall be deemed to have occurred if any of the following happen: (i) Owner sells, conveys, contracts to sell, alienates, transfers title or further encumbers all or any part of the Project, including creation or termination of a life estate, without the prior written consent of Authority; or (ii) Owner suffers the title or any interest in the Project to be divested, whether voluntarily or involuntarily other than by reconveyance by title held for security purposes only; or (iii) Owner changes or permits to be changed the character or use of the Project; or (iv) Owner allows an ineligible person to occupy an Allocated Unit; or (v) Owner becomes insolvent or otherwise terminates its business.

In addition, because this Contract is recorded pursuant to a City program administered by Authority to provide assistance to Low Income households within the City of Santa Rosa, notwithstanding any other terms in this Contract to the contrary, a default of this Contract shall be deemed to have occurred if any of the following happen: (i) Owner fails or refuses to furnish Authority with information reasonably required by Authority to determine Tenants' continuing eligibility under the applicable funding program; or (ii) Owner fails or refuses to cooperate with reasonable review procedures set up by Authority to monitor Tenants' continuing eligibility under the applicable funding program; or (iii) Owner fails to comply with the terms and conditions of this Contract; or



(iv) Owner fails to maintain the Project in a good and habitable condition; or (v) Owner fails to maintain the Project in a state of repair in compliance with all federal, state, and local laws, ordinances, and/or rules.

In addition to all other rights of Authority provided herein, a default of this Contract shall occur if Owner has made any material misstatements in the representation, warranties and covenants contained in documents executed by Owner in connection with the Project, including, without limitations, misstatements or omissions in the representations, warranties, or covenants relating to the location of the Project, any occupancy requirements of applicable funding programs, the cost and description of any improvements made to the Project, or any sale, transfer or other disposition of such Project not made in accordance with the terms of this Contract.

Owner shall have thirty (30) days from the date of a written notice of default from Authority specifying the default and requesting that it be remedied. If the failure specified in the notice cannot be corrected within the applicable period and Owner has adequately demonstrated that it has instituted corrective action within the applicable period and has diligently pursued such corrective action, then Owner will not be in default under this Contract so long as Owner diligently, and without interruption, pursues the cure to complete corrections. Upon a default under this Contract and failure to cure as provided above, Authority shall be entitled, in addition to all other remedies provided by law or in equity, to do the following:

A. To compel specific performance by Owner of its obligations under this Contract, it being recognized that the beneficiaries of Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of Owner's default.

B. To the extent permissible under laws and regulations protecting individual confidentiality, to have access to, to inspect, and to make copies and to audit all books and records of Owner pertaining to the Property.

C. To cause Owner to pay to Authority (if the thirty (30) day cure period has been exceeded and no cure has been achieved) an amount equal to all excess rent received by Owner with respect to those of the Allocated Unit(s) which have been improperly rented. The term "excess rent" as used in the previous sentence shall mean all rent received by Owner over the amount allowed in Section 8 of this Contract.

D. To conduct an evaluation of, and direct Owner with respect to, the management and operation of the Property, to the extent any default is reasonably attributable to such management. City or Authority may retain attorneys and consultants to assist in such evaluation, and Owner shall pay the reasonable fees and expenses of such attorneys and consultants and any other expenses incurred by City or by Authority in this regard. Owner shall follow all lawful directives, which may, at the option of City or

Authority, include replacing existing management with new management. In the event a default includes the failure of Owner to make any required payment of such fees and expenses in a timely manner, or in the event of the imminent closure of the Project, Authority may in its sole discretion select new management.

E. Any default in the performance of the requirements of this Contract or any of the related instruments and agreements given in connection with the Contract shall entitle Authority, in addition to any other relief afforded to it by law or this Contract, to extend the term the Allocated Units are to be restricted under this Contract, by the period of time of such default.

### **SECTION 17. Notices**

Formal notices, demands, and communications between City, Authority and Owner shall be sufficiently given if, and shall not be given unless, dispatched by certified mail, postage prepaid, return receipt requested, or sent by express delivery service or overnight courier service, to City, Authority and Owner as follows, or at such other address as the parties may designate in writing from time to time:

To City:                   City Manager  
THE CITY OF SANTA ROSA  
City Hall, Room #9  
100 Santa Rosa Avenue  
Santa Rosa, California 95404

To Authority:           Executive Director  
HOUSING AUTHORITY OF  
THE CITY OF SANTA ROSA  
Post Office Box 1806  
Santa Rosa, California 95402-1806

With Copy to:           City Attorney  
CITY ATTORNEY'S OFFICE  
City Hall, Room #8  
Santa Rosa, CA 95404

To Owner:                FULTON ROAD INVESTORS,  
LIMITED LIABILITY COMPANY  
200 Fourth Street, Suite 250  
Santa Rosa, California 95401

**SECTION 18. Notification of Change to Market Rate**

At the end of the Term, Owner shall give Authority and the Allocated Unit household not less than six (6) months prior written notice that the Unit will convert to market rate. A second written notice shall be sent ninety (90) days prior to conversion. Thirty (30) days prior to conversion a written notice shall be sent specifying the exact market amount that will be charged for the applicable Unit. The holding period on the given Unit shall be extended by the period(s) Owner delays giving the notice(s) required under this subparagraph. Applicable State Law shall supersede any conflicting conditions of this paragraph.

**SECTION 19. Recordation of Contract**

Prior to recording of the Final Map for the Development, this Contract and all amendments and supplements hereto shall be recorded in the real property records of the County of Sonoma, as a lien, charge and encumbrance against the entire Development. Thereafter, and in accordance with the timing provisions set forth in Section 21.02.150 of the Ordinance, City hereby authorizes the Executive Director of the Housing Authority, or designee, to execute suitable Authorization(s) for Partial Reconveyance in a form adequate to be recorded in the Official Records of Sonoma County, with respect to the lots within the Development which are not intended to be bound by the provisions of this Contract

**SECTION 20. Successors Bound**

Without waiving any of the requirements of the provisions of this Contract prohibiting assignment, the covenants, conditions and restrictions contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, Owner and its successors and assigns and all subsequent Owners of the Development or any interest therein, to City, and to Authority and their successors and assigns.

**SECTION 21. Severability**

The invalidity of any clause, part or provision of this Contract shall not affect the validity of the remaining portions hereof. Nothing in this Contract shall prevent Authority from exercising any of its rights under this Contract.

**SECTION 22. Amendments**

This Contract may not be amended, changed, modified, altered or terminated except as expressly permitted herein. This Contract shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County of Sonoma.

**SECTION 23. No Assignment**

Owner shall not transfer any interest in the underlying Project, nor transfer any interest in or duty under this Contract (whether by assignment or novation), including but not limited any change, withdrawal, or replacement of the general partner or limited partner, as applicable, without prior written approval of Authority, which approval shall not be unreasonably withheld, except that in no event shall Owner have the right to any individual or partial transfer or conveyance of the Allocated Units or the resident manager's unit in contravention of Section 7 of this Contract.

**SECTION 24. Force Majeure**

If Owner is delayed or prevented from the performance of any act required under this Contract, by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws or regulations or other cause without fault and beyond the control of Owner (financial inability excepted), performance of the act shall be excused for the period of the delay and the period for the performance of the act shall be extended for a period equivalent to the period of the delay.

**SECTION 25. Waiver of Breach**

The waiver by one party of any breach of this Contract by the other party will not be deemed a waiver of any subsequent breach, a waiver of the particular provision breaches, or a waiver of any other provisions of this Contract.

[signatures on next page]

IN WITNESS WHEREOF, the parties have caused this Contract to be signed and sealed by their respective, duly authorized representatives, as of the day and year written below.

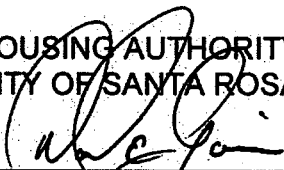
Dated: 6/12/12

CITY OF SANTA ROSA

  
BY: ERNESTO OLIVARES  
Its: Mayor

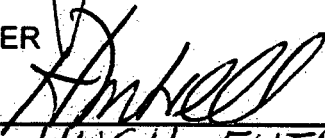
Dated: 6.11.12

HOUSING AUTHORITY OF THE CITY OF SANTA ROSA

  
BY: DAVID E. GOUIN  
Its: Executive Director

Dated: 1/24/2012


OWNER

  
BY: HUGH FUTRELL  
Its: MANAGER

APPROVED AS TO FORM:

  
CAROLINE FOWLER, City Attorney

APPROVED AS TO FORM:

  
MOLLY L. DILLON, General Counsel for Housing Authority of the City of Santa Rosa

**ACKNOWLEDGMENT**

State of California  
County of Sonoma )

On June 12, 2012 before me, Teresa A. Griffin, Notary Public  
(insert name and title of the officer)

personally appeared ERNESTO OLIVARES  
who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~  
subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in  
his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the  
person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.



Signature *Teresa A. Griffin* (Seal)

## ATTACHMENT 1

### INSURANCE REQUIREMENTS

#### I. Insurance Coverage Requirement

Owner must procure, or must cause its contractors to procure, and keep in force throughout Project development and through the Term of this Contract, as applicable, at Owner's own cost and expense, the following policies of insurance or certificates or binders as necessary to represent that coverage as specified below is in place with companies doing business in California and acceptable to Authority and City. The insurance must be issued by insurers with AM Best ratings of no less than A- VI or otherwise acceptable to Authority and City and must at a minimum include:

**Commercial General Liability** insurance specific to the Project, at least as broad as ISO CG 0001, including but not limited to, Bodily Injury; Broad Form Property; Personal Injury and Advertising Injury; Medical Payments; Contractual Liability; Products and Completed Operations; XCU; and Owners and Contractor Protective Liability. The CGL policy must contain severability of interest clause or cross liability clause or the equivalent thereof.

Coverage afforded on behalf of Authority and City shall be primary insurance and any other insurance available to Authority or City under any other policies shall be excess insurance (over the insurance required by this Contract).

Minimum amount of liability insurance shall be the following:

Per Occurrence - \$2,000,000  
Or, Annual Aggregate - \$2,000,000

**Automobile Liability** insurance, including all owned, non-owned and hired automobiles used by Owner or its contractors or agents in the performance of this Contract shall have the following minimum coverage for Bodily Injury and Property Damage - \$1,000,000 Combined Single Limit.

**Worker's Compensation** insurance as required by the laws of the State of California. Statutory coverage may include Employers Liability coverage of not less than \$1,000,000. Owner certifies that it is aware of the provisions of section 3700 of the California Labor Code, which require every employer to provide Workers' Compensation coverage, or to undertake self-insurance in accordance with the provisions of that Code. Owner and its contractors must comply with the provisions of section 3700 of the California Labor Code before commencing performance of the work under this Agreement and thereafter as required by that law.

**Builders Risk Insurance** during Project construction. This coverage must cover all risk of physical damage of or loss basis for an amount equal to the full amount of the construction contract. This coverage must include coverage for flood if the Property is located in a

Special Flood Hazard Area as determined by the Federal Emergency Management Agency. Additionally, Owner or its contractors must obtain a builder's risk installation floater for coverage of the contractor's labor, materials and equipment to be used for completion of work performed under the construction contract. The minimum amount of coverage to be carried must be equal to the full amount of the construction contract. This coverage is required upon Owner obtaining any construction financing for the Project.

**Professional Liability Insurance** covering any damages caused by an error, omission or any negligent acts for work performed in connection with the Project. Coverage must be in the minimum amount of \$1,000,000.

**Property Insurance** including all risk coverage or standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements to the extent of full replacement value of the Project for the duration of the Term of the Contract. Coverage amount may be adjusted for fluctuation in replacement values. This coverage is required upon completion of construction of the Project.

**Loss of Rents Insurance Coverage** in the amount of 75% of scheduled annual gross rents.

## II. Terms, Conditions, and Endorsements

The Insurance required by this Contract must be endorsed and have all the following conditions:

**Additional Insured:** Owner must ensure that "the Housing Authority of the City of Santa Rosa and the City of Santa Rosa, and their respective directors, officers, agents and employees" are named as additional insureds in this Comprehensive Commercial General Liability and Automobile Liability policies. The endorsement form must be equivalent to CG20 10 with an edition date prior to 2004 and/or CA 20 48 – Designated Insured Form (for business auto insurance). A STATEMENT OF ADDITIONAL INSURED ENDORSEMENT OF THE ACORD INSURANCE CERTIFICATE FORM IS INSUFFICIENT AND WILL BE REJECTED AS PROOF OF THE ADDITIONAL INSURED REQUIREMENT.

**Loss Payee:** Owner must insure the Housing Authority of the City of Santa Rosa and the City of Santa Rosa are named as Loss Payees in the Builders' Risk Insurance, Property Insurance and Loss of Rents coverage. Owner shall provide appropriate Loss Payee endorsement as proof of meeting this requirement, which may be subject to the interests of prior lien holders of record.

**Cancellation Notice:** 30-day prior written notice of cancellation, termination or material change in coverage.

Certification holder is to be the same person and address as indicated in the "Notices" section of this Contract.



Owner shall furnish Authority with original certificates and endorsements effecting coverage required above. Certificates and endorsements shall make reference to policy numbers. All certificates and endorsements are to be received and approved by the Authority and City before this Contract is executed and must be in effect for the duration of the Term of the Contract, unless otherwise provided herein. Authority and City reserve the right to require complete copies of all required policies and endorsements.

All insurance coverage amounts required hereunder and available or applicable to this Project are intended to apply to the full extent of the policies. Nothing contained in this Contract limits the application of such insurance coverage. Defense costs must be paid in addition to coverage amounts.

### **III. Insurance Interpretation**

All endorsements, certificates, forms, coverage and limits of liability referred to herein shall have the meaning given such terms by the Insurance Services (ISO) as of the date of this Contract.

### **IV. Subcontractors**

Owner or its general contractor must include all subcontractors as insureds under its policies or must maintain separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all the requirements stated herein. Authority reserves the right to perform an insurance audit during the course of the Project to verify compliance with requirements.

### **V. Deductibles and Self-Insured Retentions**

Any deductible or self-insured retention greater than \$10,000 must be declared to, and approved by, Authority and City. At the option of Authority and City, either the insurer shall reduce or eliminate such deductible or self-insured retentions as respects Authority and City, and their respective directors, officers, agents, employees and volunteers; or Owner shall provide a financial guarantee satisfactory to Authority and City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

State of California )  
County of Sonoma )

On JAN 24, 2012 before me, MELISA M. BROWN, Notary Public

personally appeared Hugh Futrell, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is / are subscribed to the within instrument and acknowledged to me that he / ~~she~~ / they executed the same in his / ~~her~~ / their authorized capacity(ies), and that by his / ~~her~~ / their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

**I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.**

WITNESS my hand and official seal,

Signature Melisa M. Brown (Seal)



State of California )  
County of Sonoma )

On JUNE 11, 2012 before me, JODI FORMWAY, Notary Public

personally appeared DAVID E. GOVIN, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is / are subscribed to the within instrument and acknowledged to me that he / ~~she~~ / they executed the same in his / ~~her~~ / their authorized capacity(ies), and that by his / ~~her~~ / their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

**I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.**

WITNESS my hand and official seal,

Signature Jodi Formway (Seal)



**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

Order No.: 391550  
Escrow No: 391550

The land referred to herein is situated in the State of California, County of Sonoma, City of Santa Rosa, and described as follows:

Parcel One:

Commencing at a point on the East line of the public road leading from Santa Rosa to Fulton, which point is 4.99 chains South from the center of Section 5, in Township 7 North, Range 8 West, M.D.B. & M., running South along the East line of said public road, 4.99 chains; thence East and parallel with the North line of the Northwest Quarter of the Southeast Quarter of the said Section 5, 20.04 chains; more or less, to the East line of said Northwest Quarter of the Southeast Quarter of said Section 5; thence North 4.99 chains to the South line of the 10 acres sold by Edwin Day to William Brunt; thence West along the said South line of said South line of said Brunt's 10 acre tract, 20.04 chains, more or less, to the point of commencement.

Excepting therefrom that portion conveyed to the County of Sonoma by Deed recorded April 28, 1971 in Book 2530 at Page 590, Serial No. M 8689, Sonoma County Records:

Parcel Two:

Lying within the County of Sonoma, State of California and being a portion of the lands of Fulton Road Investors, a California general partnership, as described by deed recorded under Document Number 2000-0333 17, Official Records of Sonoma County, said portion being more particularly described as follows:

Beginning at the Northwest corner of said lands, said point also lying on the Easterly right-of-way of Fulton Road; thence along the West line of said lands, South  $00^{\circ}10'22''$  West, 78.87 feet; thence leaving said West line, South  $89^{\circ}32'41''$  East, 98.12 feet; thence on a curve to the right, radius of 25.50 feet, length of 44.71 feet, central angle of  $100^{\circ}27'33''$ ; thence on a reverse curve, radius of 199.50 feet, length of 57.36 feet, central angle of  $16^{\circ}28'22''$ ; thence on a compound curve, radius of 9.50 feet, length of 13.93 feet, central angle of  $83^{\circ}59'11''$ ; thence South  $89^{\circ}32'41''$  East, 48.47 feet; thence on a curve to the left, radius of 9.50 feet, length of 13.39 feet, central angle of  $80^{\circ}47'06''$ ; thence on a compound curve, radius of 49.50 feet, length of 15.57 feet, central angle of  $18^{\circ}01'38''$ ; thence on a reverse curve, radius of 115.50 feet, length of 55.75 feet, central angle of  $27^{\circ}39'17''$ ; thence on a compound curve, radius of 25.50 feet, length of 31.67 feet, central angle of  $71^{\circ}09'28''$ ; thence South  $89^{\circ}32'41''$  East, 101.00 feet; thence on a curve to the right, radius of 25.50 feet, length of 39.60 feet, central angle of  $88^{\circ}58'42''$ ; thence on a reverse curve, radius of 199.50 feet, length of 36.39 feet, central angle of  $10^{\circ}27'04''$ ; thence on a reverse curve, radius of 105.50 feet, length of 24.88 feet, central angle of  $13^{\circ}30'52''$ ; thence on a reverse curve, radius of 9.50 feet, length of 15.26 feet, central angle of  $92^{\circ}02'30''$ ; thence South  $89^{\circ}32'41''$  East, 17.57 feet; thence on a curve to the left, radius of 33.00 feet, length of 14.43 feet, central angle of  $25^{\circ}03'27''$ ; thence on a reverse curve, radius of 52.00 feet, length of 127.16 feet, central angle of  $140^{\circ}06'54''$ ; thence on a reverse curve, radius of 33.00 feet, length of 14.43 feet, central angle of  $25^{\circ}03'27''$ ; thence South  $00^{\circ}27'19''$  West, 13.96 feet, thence South  $44^{\circ}32'41''$  East, 21.97 feet; thence South  $89^{\circ}32'41''$  East,

180.90 feet; thence on a curve to the right radius of 125.00 feet, length of 93.91 feet, central angle of 43°02'42"; thence South 46°29'59" East, 117.09 feet; thence on a curve to the right, radius of 125.00 feet, length of 34.22 feet, central angle of 15°41'14"; thence North 82°23'48" East, 43.08 feet; thence South 89°32'41" East, 71.77 feet; thence South 11°03'00" East, 93.89 feet; thence South 00°27'19" West, 145.00 feet to the South line of said lands; thence along the South line of said lands South 89°32'41" East, 325.09 feet to the Southeast corner of said lands; thence along the East line of said lands, North 00°11'06" East, 668.56 feet to the Northeast corner of said lands; thence along the North line of said lands South 89°51'51" West, 1301.23 feet to the POINT OF BEGINNING.

Excepting therefrom that portion conveyed to the City of Santa Rosa by Deed recorded May 19, 2006 under Document No. 2006062727, Sonoma County Records.

APN: 034-030-093 and 034-030-092

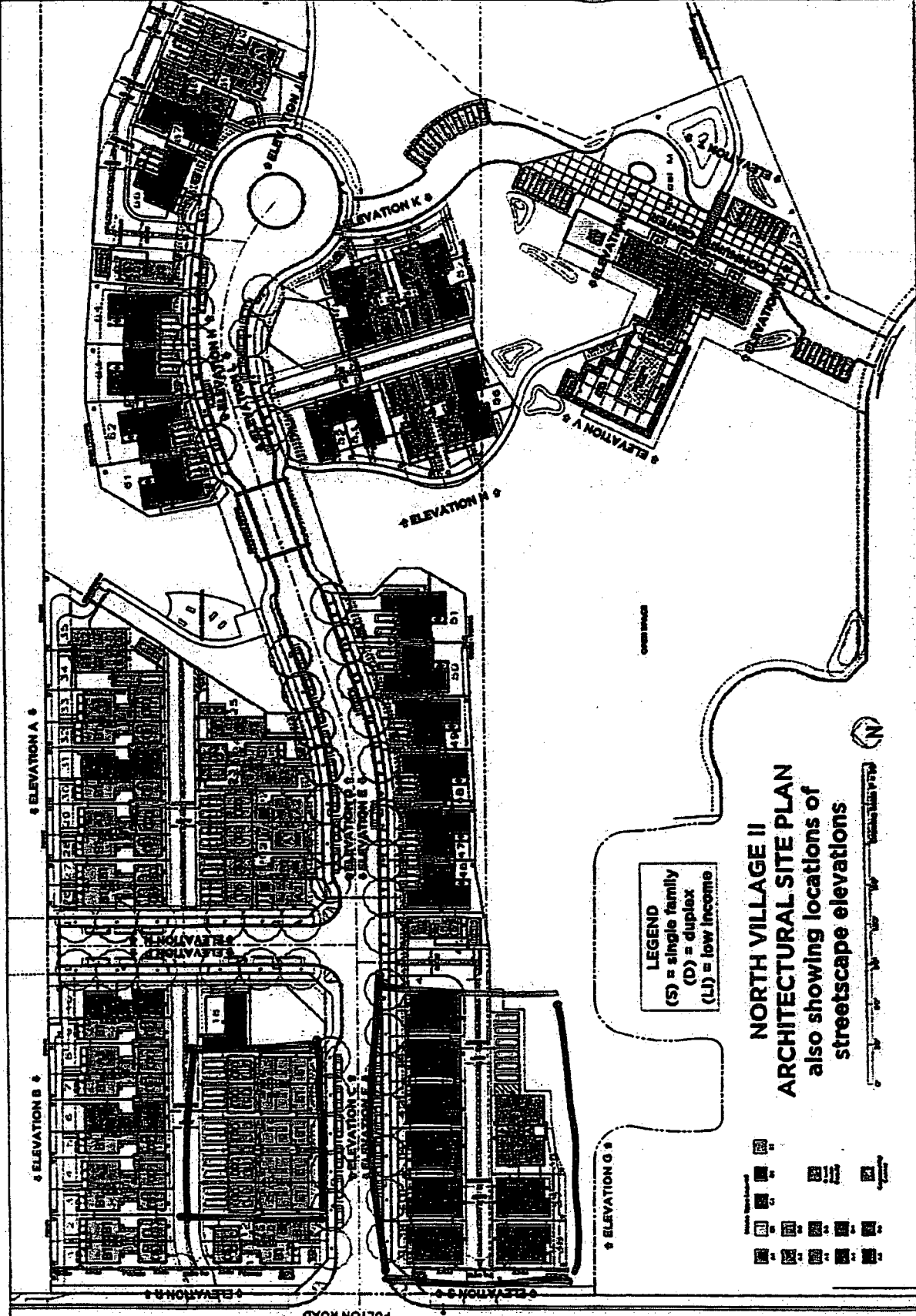
Parcel Three:

Being a portion of the Remaining Lands as shown on that Map entitled "Woodbridge", filed for record in Book 693 of Maps, at Pages 44-50, Sonoma County Records, said portion being more particularly described as follows:

Beginning at the Northwest corner of the Remaining Lands as shown on said map, said corner also being the Southeast corner of Lot 34 as shown on that map entitled North Village Subdivision filed for record in Book 697 of Maps, Pages 5-10, Sonoma County Records; thence along the Northerly line of said Remaining Lands, South 89° 32' 41" East, 325.09 feet; thence continuing along said Northerly line, North 89° 45' 35" East, 60.92 feet; thence leaving said Northerly line of said Remaining Lands, South 00° 27' 19" West, 21.74 feet; thence North 89° 32' 41" West, 250.00 feet; thence South 00° 27' 19" West, 19.00 feet; thence North 89° 32' 41" West, 34.00 feet; thence South 00° 27' 19" West, 40.14 feet to the Northerly line of Vera Drive as shown on said Map of Woodbridge; thence along said Northerly line, North 89° 32' 41" West, 102.00 feet to the Easterly line of Lot 114 of said Map of Woodbridge; thence along said Easterly line, North 00° 27' 19" East, 80.14 feet to the point of beginning.

APN No.: 034-030-094

(End of Legal Description)



**EXHIBIT B**  
 Page 1 of 1

**NO FEE**

This Document is being recorded for  
the benefit of the City of Santa Rosa  
as per Gov't Code Section 6103.

**WHEN RECORDED MAIL TO:**

HOUSING AUTHORITY OF THE  
CITY OF SANTA ROSA  
P.O. Box 1806  
Santa Rosa, CA 95402-1806

Space Above this line for Recorder's Use

**AGREEMENT ESTABLISHING DATE OF FIRST RENTAL  
BETWEEN THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA  
AND  
[Insert OWNER NAME]  
RE: [Insert Project Address]  
APN: [Insert APN]  
[Insert PROJECT NAME]**

**AGREEMENT ESTABLISHING DATE OF FIRST RENTAL  
BETWEEN  
THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA  
AND**

**[Insert OWNER NAME]  
RE: [Insert Project Address]  
APN: [Insert APN]**

**[Insert PROJECT NAME]**

With reference to that certain HOUSING ALLOCATION PLAN CONTRACT BETWEEN THE CITY OF SANTA ROSA, THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA and [insert OWNER NAME], RE: [insert PROJECT NAME], dated \_\_\_\_\_, and recorded on \_\_\_\_\_ in the Official Records of the County of Sonoma, Recorder's Serial Number \_\_\_\_\_, the parties hereby agree that the Date of First Rental is \_\_\_\_\_, which commences the thirty (30) year term of the Housing Allocation Plan Contract.

IN WITNESS WHEREOF, the parties have caused this Agreement Establishing Date of First Rental to be signed and sealed by their respective, duly authorized representatives, as of the day and year first written below.

HOUSING AUTHORITY OF THE  
CITY OF SANTA ROSA

Dated: \_\_\_\_\_

By: DAVID E. GOUIN  
Its: Executive Director

OWNER  
[Insert OWNER NAME]

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_  
MOLLY L. DILLON, General Counsel  
Housing Authority of the City of Santa Rosa



State of California )  
County of )

On \_\_\_\_\_ before me, \_\_\_\_\_

personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is / are subscribed to the within instrument and acknowledged to me that he / she / they executed the same in his/her/their authorized capacity(ies), and that by his / her / their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

***I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.***

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

State of California )  
County of )

On \_\_\_\_\_ before me, \_\_\_\_\_

personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is / are subscribed to the within instrument and acknowledged to me that he / she / they executed the same in his/her/their authorized capacity(ies), and that by his / her / their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

***I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.***

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

HOUSING AUTHORITY OF THE CITY OF SANTA ROSA

P. O. Box 1806

Santa Rosa, California 95402

TENANT INCOME CERTIFICATION FORM

An income certification is required as one of the stipulations of renting an affordable unit under the Housing Authority Program. In order to ensure compliance, please fill out the following and return it with proof of gross income and assets to the rental agent.

RENTAL ADDRESS: \_\_\_\_\_ NAME OF OWNER OR PROJECT: \_\_\_\_\_

MONTHLY RENT: \$ \_\_\_\_\_

NUMBER OF BEDROOMS: \_\_\_\_\_

Tenant Phone: Home \_\_\_\_\_ Work \_\_\_\_\_

Names of Members of Household	Relationship To Head of Household	Date of Birth	Employer or Other Source of Income	Annual Gross Income*
	Head			\$
				\$
				\$
				\$
				\$
				\$
Anticipated gross income of all adults during the next 12-month period:				\$

\*Annual Gross Income includes:

- 1) all wages and salaries, overtime, commissions and bonuses **BEFORE** payroll deductions;
- 2) full amount of periodic payment received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, alimony, child support and regular contributions/gifts;
- 3) payments in lieu of earnings.

Total value of all assets (excluding personal property):.....\$ \_\_\_\_\_

Income expected from assets during next 12-month period (Interest, dividends, etc.).....\$ \_\_\_\_\_

TOTAL OF ALL INCOME DURING NEXT 12-MONTH PERIOD:.....\$ \_\_\_\_\_

**TO BE CERTIFIED YOU MUST ATTACH PROOF OF INCOME**

The undersigned certifies that all of the above information is a full disclosure of all income and is true and correct. This information is to be updated each year and the undersigned agrees to provide income information when requested. Continuing occupancy of this unit with a restricted rent level is contingent upon providing proof on an annual basis that the household's income does not exceed the income guidelines of the funding program.

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Tenant's Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Tenant's Signature)



## Instructions for Tenant Income Certification Form

**Rental Address** – Address of unit being certified.

**Name of Owner or Project** – Owner of the unit or the name of subdivision/project.

**Monthly Rent** - Current total rent being charged for the unit.

**Number of Bedrooms** – Total number of bedrooms in this unit. (In the case of shared occupancy, use "SRO" for Single Room Occupancy.)

**Tenant Phone** – List home and work numbers for head of household.

**Names of Members of Household** – List all members of the household, including children, dates of birth and the source of income for each member.

**Annual Gross Income** – List the annual income, before taxes, for each member of the household. Income includes all sources even if they are not considered taxable income.

**Anticipated Gross Income of all adults during the next 12 month period** – Total of the Annual Gross Income listed for each adult in the household.

**Total Value of all assets** – Assets include cash, checking accounts, savings accounts, stocks, bonds, real property, etc.

**Income expected from assets during next 12 months** – Give total income derived from assets included in amount above. (Interest, dividends, rents, etc.)

**Total of all Income during next 12-month period** – Add together the figures for **Anticipated Gross Income of all adults during the next 12-month period** and **Income expected from assets during next 12 months**.

**Proof of Income** – You must provide proof of income to be certified eligible to occupy this unit. A list of acceptable documents is attached. Continuing occupancy of this unit with a restricted rent is contingent upon providing proof on an annual basis that the household's income does not exceed the income guidelines of the funding program.

**Signature** – Tenant Certification Form must be signed in order to be valid.

**Date** – Tenant Certification Form must be dated the day of signing.





**INCOME GUIDELINES**

February 27, 2012

Household Size	Extremely Low 30% of Median	Very Low 50% of Median	60% of Median	Low 80% of Median*	Median 100% of Median	Moderate 120% of Median
<b>1 Person</b>	\$17,400 /Year \$1,450 /Month	\$28,950 /Year \$2,413 /Month	\$34,740 /Year \$2,895 /Month	\$45,500 /Year \$3,792 /Month	\$57,800 /Year \$4,817 /Month	\$69,350 /Year \$5,779 /Month
<b>2 Persons</b>	\$19,850 /Year \$1,654 /Month	\$33,050 /Year \$2,754 /Month	\$39,660 /Year \$3,305 /Month	\$52,000 /Year \$4,333 /Month	\$66,100 /Year \$5,508 /Month	\$79,300 /Year \$6,608 /Month
<b>3 Persons</b>	\$22,350 /Year \$1,863 /Month	\$37,200 /Year \$3,100 /Month	\$44,640 /Year \$3,720 /Month	\$58,500 /Year \$4,875 /Month	\$74,350 /Year \$6,196 /Month	\$89,200 /Year \$7,433 /Month
<b>4 Persons</b>	\$24,800 /Year \$2,067 /Month	\$41,300 /Year \$3,442 /Month	\$49,560 /Year \$4,130 /Month	\$65,000 /Year \$5,417 /Month	\$82,600 /Year \$6,883 /Month	\$99,100 /Year \$8,258 /Month
<b>5 Persons</b>	\$26,800 /Year \$2,233 /Month	\$44,650 /Year \$3,721 /Month	\$53,580 /Year \$4,465 /Month	\$70,200 /Year \$5,850 /Month	\$89,200 /Year \$7,433 /Month	\$107,050 /Year \$8,921 /Month
<b>6 Persons</b>	\$28,800 /Year \$2,400 /Month	\$47,950 /Year \$3,996 /Month	\$57,540 /Year \$4,795 /Month	\$75,400 /Year \$6,283 /Month	\$95,800 /Year \$7,983 /Month	\$114,950 /Year \$9,579 /Month
<b>7 Persons</b>	\$30,800 /Year \$2,567 /Month	\$51,250 /Year \$4,271 /Month	\$61,500 /Year \$5,125 /Month	\$80,600 /Year \$6,717 /Month	\$102,400 /Year \$8,533 /Month	\$122,900 /Year \$10,242 /Month
<b>8 Persons</b>	\$32,750 /Year \$2,729 /Month	\$54,550 /Year \$4,546 /Month	\$65,460 /Year \$5,455 /Month	\$85,800 /Year \$7,150 /Month	\$109,050 /Year \$9,088 /Month	\$130,800 /Year \$10,900 /Month

\*79% Income published by the United States Department of Housing and Urban Development (HUD), updated December 13, 2011.

Extremely Low, Very Low, and Low Income is compared to HUD Income Limits for 2012, updated December 13, 2011.

Median Income and Moderate Income is compared to the Official State of California Income Limits for 2012, updated February 1, 2012.

60% of Median is compared to the California Tax Credit Allocation Committee Income Limits for 2012, updated December 13, 2011.

**CITY OF SANTA ROSA  
ECONOMIC DEVELOPMENT AND HOUSING  
90 Santa Rosa Avenue, Santa Rosa, California 95404  
Telephone: 707-543-3300 • Fax: 707-543-3317 • TDD: 707-543-3318 • Web Address: srcity.org**

**Allowances for Tenant  
Furnished Utilities and other  
Services**

U.S. Department of Housing and Urban  
Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0169

Locality: <b>City of Santa Rosa Housing and Redevelopment Department, CA</b>		Unit Type: <b>Apartment/Walk-Up/ Row House/Townhouse</b>				Date: 10/01/2011	
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating:	a. Natural Gas	\$8.00	\$10.00	\$11.00	\$12.00	\$13.00	\$14.00
	b. Bottle Gas/Propane						
	c. Electric	\$8.00	\$12.00	\$16.00	\$19.00	\$23.00	\$27.00
	d. Oil / Other						
Cooking	a. Natural Gas	\$4.00	\$5.00	\$7.00	\$8.00	\$10.00	\$11.00
	b. Bottle Gas/Propane						
	c. Electric	\$5.00	\$6.00	\$8.00	\$10.00	\$12.00	\$13.00
	d. Coal / Other						
Other Electric (Lights & Appliances)		\$13.00	\$19.00	\$26.00	\$32.00	\$40.00	\$47.00
Air Conditioning		\$2.00	\$2.00	\$3.00	\$5.00	\$6.00	\$7.00
Water Heating	a. Natural Gas	\$6.00	\$9.00	\$13.00	\$16.00	\$20.00	\$23.00
	b. Bottle Gas/Propane						
	c. Electric	\$8.00	\$13.00	\$17.00	\$22.00	\$27.00	\$31.00
	d. Oil / Other						
Water		\$15.00	\$19.00	\$30.00	\$39.00	\$46.00	\$51.00
Sewer		\$34.00	\$45.00	\$72.00	\$94.00	\$110.00	\$121.00
Trash Collection		\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Range / Microwave Tenant-purchased		\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Refrigerator Tenant-purchased		\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Other--specify:							
<b>Actual Family Allowances</b>					Utility or Service		per month cost
To be used by the family to compute allowance. Complete below for the actual unit rented					Heating		\$
Name of Family					Cooking		\$
					Other Electric		\$
Address of Unit					Air Conditioning		\$
					Water Heating		\$
Number of Bedrooms					Water		\$
					Sewer		\$
					Trash Collection		\$
					Range / Microwave		\$
					Refrigerator		\$
					Other		\$
					Other		\$
					Total		\$

**Allowances for Tenant  
Furnished Utilities and other  
Services**

U.S. Department of Housing and Urban  
Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0169

Locality: <b>City of Santa Rosa Housing and Redevelopment Department, CA</b>		Unit Type: <b>Semi-Detached/ Duplex/Detached House</b>				Date (10/01/2011)		
Utility or Service		Monthly Dollar Allowances						
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
Heating	a. Natural Gas	\$13.00	\$20.00	\$28.00	\$35.00	\$43.00	\$50.00	
	b. Bottle Gas/Propane							
	c. Electric	\$15.00	\$20.00	\$25.00	\$30.00	\$36.00	\$41.00	
	d. Oil / Other							
Cooking	a. Natural Gas	\$4.00	\$5.00	\$7.00	\$8.00	\$10.00	\$11.00	
	b. Bottle Gas/Propane							
	c. Electric	\$5.00	\$6.00	\$8.00	\$10.00	\$12.00	\$13.00	
	d. Coal / Other							
Other Electric (Lights & Appliances)		\$18.00	\$27.00	\$36.00	\$50.00	\$60.00	\$69.00	
Air Conditioning		\$2.00	\$2.00	\$4.00	\$6.00	\$7.00	\$9.00	
Water Heating	a. Natural Gas	\$6.00	\$9.00	\$13.00	\$16.00	\$20.00	\$23.00	
	b. Bottle Gas/Propane							
	c. Electric	\$8.00	\$13.00	\$17.00	\$22.00	\$27.00	\$31.00	
	d. Oil / Other							
Water		\$23.00	\$27.00	\$38.00	\$46.00	\$52.00	\$56.00	
Sewer		\$34.00	\$45.00	\$72.00	\$94.00	\$110.00	\$121.00	
Trash Collection		\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	
Range / Microwave Tenant-purchased		\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	
Refrigerator Tenant-purchased		\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	
Other--specify:								
<b>Actual Family Allowances</b>					Utility or Service			
To be used by the family to compute allowance. Complete below for the actual unit rented.					per month cost			
Name of Family					Heating			\$
					Cooking			\$
Address of Unit					Other Electric			\$
					Air Conditioning			\$
Number of Bedrooms					Water Heating			\$
					Water			\$
					Sewer			\$
					Trash Collection			\$
					Range / Microwave			\$
					Refrigerator			\$
					Other			\$
					Other			\$
					Total			\$