

RESOLUTION NO. RES-2019-012

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 CALIFORNIA COMMUNITY HOUSING AGENCY (CALCHA) FOR 1020 JENNINGS AVENUE; SUPPORTING CALCHA'S ISSUANCE OF TAX-EXEMPT BONDS FOR THE 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, CalCHA is a Joint Powers Authority that facilitates community public benefit projects throughout the state through its financing and acquisition of middle-income affordable housing transactions; and

WHEREAS, on February 12, 2019, by resolution RES-2019-011, the City Council authorized joining CalCHA as an Additional Member, CalCHA can issue tax exempt bonds to finance and acquire middle-income affordable housing developments; and

WHEREAS, CalCHA 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 CalCHA Regulatory Agreement to middle-income tenants, defined as those households at or below 120% of Area Median Income; and

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

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

WHEREAS, as a public agency, CalCHA cannot retain 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 CalCHA's acquisition of 1020 Jennings Avenue.

BE IT FURTHER RESOLVED that the Council authorizes the Director of Housing and Community Services to execute the Purchase Option Agreement, subject to approval as to form by the City Attorney.

BE IT FURTHER RESOLVED that the Council will appropriate any surplus cash received from the operation of 1020 Jennings 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 12th day of February, 2019.

AYES: (7) Mayor Schwedhelm, Vice Mayor Rogers, Council Members Combs, Fleming, Olivares, Sawyer, Tibbetts

NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

ATTEST: _____
City Clerk

APPROVED: _____
Mayor

APPROVED AS TO FORM:

City Attorney