

ORDINANCE NO.

AN URGENCY ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA ROSA
AMENDING ARTICLE I OF CHAPTER 4-40 OF THE SANTA ROSA CITY CODE TO
AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR THE PURPOSE
OF FUNDING AFFORDABLE HOUSING

THE PEOPLE OF THE CITY OF SANTA ROSA DO ENACT AS FOLLOWS:

Section 1. Findings. The City Council of the City of Santa Rosa finds and determines, based on evidence and records presented, that:

- A. The Council has previously found that the City is experiencing a housing crisis, and the crisis was exacerbated by the destruction caused by the Tubbs Fire and Nuns Fire.
- B. Prior to the fires there existed a severe lack of rental housing, particularly rental housing affordable to lower and moderate-income residents.
- C. The housing units damaged and destroyed by the fires increased the rental housing shortage by several orders of magnitude and also severely reduced the number of owner-occupied housing units in the City.
- D. The City has been under a proclamation of local homeless emergency since August 2016, and conditions of homelessness continue to pose a critical threat to the physical and mental health and safety of those experiencing homelessness, as well as to the natural environment and the health and well-being of the surrounding community.
- E. Conditions of homelessness within the city have been further exacerbated by the recent fire emergency and substantial loss of residential units.
- F. Homelessness is a complex social issue with many contributing factors that cannot be easily or quickly solved by a single agency or organization.
- G. Shelter beds and transitional housing options are insufficient to serve the City's needs, causing people to occupy and sleep in public spaces, as well as encampments throughout the City, threatening the public health, peace and safety.
- H. Article I of Chapter 4.40 of the Santa Rosa City Code does not currently authorize the City to issue general obligation bonds for the purpose of making loans to public entities or owners of private buildings for the purpose of providing affordable housing.
- I. Section 8 of the Santa Rosa City Charter authorizes the City Council to adopt an urgency measure to take effect immediately upon its adoption if necessary to preserve the public peace, health or safety if such ordinance contains the reasons for its urgency.

- J. Such an urgency measure requires a five-sevenths vote of the City Council for adoption.
- K. The City Council has been provided with information upon which the findings and actions set forth in this Ordinance are based, allowing the Council to adopt this urgency ordinance to be effective upon adoption.
- L. The City Council hereby finds that this Ordinance is necessary for immediate preservation of the public peace, health and safety based upon the findings contained herein.

Section 2. City Code Amendment.

Article I of Chapter 4-40 of the Santa Rosa City Code is hereby amended and supplemented to add the following additional sections:

4-40.042 Use of General Obligation Bond Proceeds to Fund Affordable Local Housing

(a) In addition to all uses permitted by the Government Code of California and the City's Charter, the City may incur indebtedness pursuant to this Article for the purpose of funding affordable local housing. The City may apply general obligation bond proceeds designated for affordable housing projects directly to acquire, rehabilitate, preserve or construct affordable housing and/or indirectly as loans, grants, or other disbursements to qualified individuals, business entities, corporations, partnerships, associations and government agencies for the acquisition, rehabilitation, preservation or construction of such affordable housing projects. Proceeds of the bonds may be used to pay or reimburse the City for the costs of City staff when they are performing work on or necessary and incidental to the bond projects.

(b) Grants or loans made pursuant to this section shall not be construed to be gifts of public funds in violation of Section 6 of Article XVI of the California Constitution.

4-40.044 Initiation of Proceedings

(a) The City Council may initiate proceedings under this Article by passing a resolution by a majority vote of all its members, determining that the public interest or necessity demands the acquisition, construction, or completion of any municipal improvement(s) or other work or improvement for which bond proceeds may be used, and ordering the submission of the proposition of incurring a bonded debt for the purpose set forth in said resolution to the qualified voters of the City at the next regular or special municipal election occurring not less than eighty-eight (88) days thereafter. No further resolutions or ordinances shall be required to accomplish the purposes of this Section.

(b) Such resolution shall state:

1. The object and purpose of incurring the indebtedness.
2. The estimated cost of the public improvements.
3. The amount of the principal of the indebtedness.
4. The rate or maximum rate of interest on the indebtedness, which shall not exceed twelve percent, and need not be recited if it does not exceed four and one-half percent.
5. The date of the election.

(c) The resolution may provide that the estimated cost stated therein of the public improvements includes any or all of the following:

1. Legal or other fees incidental to or connected with the authorization, issuance and sale of the bonds.
2. The costs of printing the bonds and other costs and expenses incidental to or connected with the authorization, issuance and sale of the bonds.
3. If the public improvements are revenue-producing public works, bond interest estimated to accrue during the construction period and for a period of not to exceed twelve (12) months after completion of construction. If such statement is made, the proceeds of the sale of the bonds may be used to pay such of the foregoing as are stated in the ordinance.
4. This subdivision shall not be construed to authorize the City to use the proceeds of the sale of bonds for a purpose for which it could not use its general fund.
5. Propositions for more than one object or purpose may be submitted at the same election.

4-40.046 Liberal Construction

This Article, being necessary for the health, peace and safety of the City and its residents, shall be liberally construed in order to effectuate its purposes. No error, irregularity, informality, and no neglect or omission of any officer, in any proceeding taken under this Article, which does not directly affect the authority of the City to issue bonds under this Article, shall void or invalidate any such proceeding, any bonds issued by the City or any levy of ad valorem taxes to pay principal of and interest on such bonds.

4-40.048 Complete, Additional and Alternative Authority

This Article provides a complete, additional and alternative method for doing the things authorized hereby, and shall be regarded as supplemental and additional to the powers conferred by other laws. The issuance of bonds authorized by this Article need not comply with the requirements of any other law applicable to the issuance of bonds.

Section 3. Authority. This Ordinance is enacted pursuant to the City of Santa Rosa's general police powers, Section 8 of the Charter of the City of Santa Rosa and Article XI of the California Constitution.

Section 4. Severability. If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held to be invalid and/or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

Section 5. Effective Date. This Ordinance shall take effect immediately upon its adoption.

IN COUNCIL DULY PASSED AND ADOPTED this 24th day of July, 2018.

AYES: (6) Mayor Coursey, Vice Mayor Rogers, Council Members Combs, Olivares, Sawyer, Schwedhelm

NOES: (0)

ABSENT: (1) Council Member Tibbetts

ABSTAIN: (0)

ATTEST: _____ APPROVED: _____
City Clerk Mayor

APPROVED AS TO FORM:

City Attorney